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Mr Gromyko accuses Mr Vance of 'cheap trick'

Mr Gromyko, the Soviet Foreign Minister, said yesterday that the Russians were still hopeful of strategic arms agreement with the United States despite the failure of this week's Moscow talks with Mr Vance, the American Secretary of State. But he accused the Americans of "a cheap trick" in one of their proposals.

Russians still hope for arms pact with US

From Our Correspondent
Moscow, March 31

Optimism on prospects for an eventual strategic arms agreement between Russia and the United States was voiced yesterday by Mr Andrei Gromyko, the Soviet Foreign Minister, despite the rejection yesterday of America's latest proposals. His statement came one day after the tough stand by Mr Leonid Brezhnev, the Soviet party leader, who had rejected the ideas put forward by Mr Cyrus Vance, the American Secretary of State, and only hours after Mr Vance left Moscow for Bonn and London to report on the negative outcome of his four-day visit.

At his first Moscow press conference in 17 years—the last one was in 1960 after the conviction of Mr Gary Powers, the American U2 spy pilot—Mr Gromyko said the Soviet leaders still had plenty of patience and were prepared for negotiations whenever they seemed likely to succeed.

Asked for his reaction to President Carter's statement that in the event of failure he would advocate pressing ahead with development of new weapons, the Soviet Foreign Minister said that Mr Carter would be doing that on his own responsibility, whereas the Soviet Union would make every effort to reach agreement.

He justified his refusal even to discuss Mr Vance's proposals on the grounds that they violated both the letter and spirit of the 1974 Vladivostok agreement by seeking to exclude the American Cruise missile from the projected reduced ceilings. At the same time, he denied that the Soviet Backfire bomber

was capable of being used as a long-range strategic bomber capable of delivering nuclear warheads.

The Soviet Union, he said, was being asked to liquidate half of its missiles "just because someone does not like them." As for the American proposal on modernizing missiles, this was nothing but "a cheap trick" again intended to place the Russians in an inferior position.

Mr Gromyko went on to make a long series of proposals for arms control and reduction which he said the Soviet negotiators had initiated but the Americans had ignored.

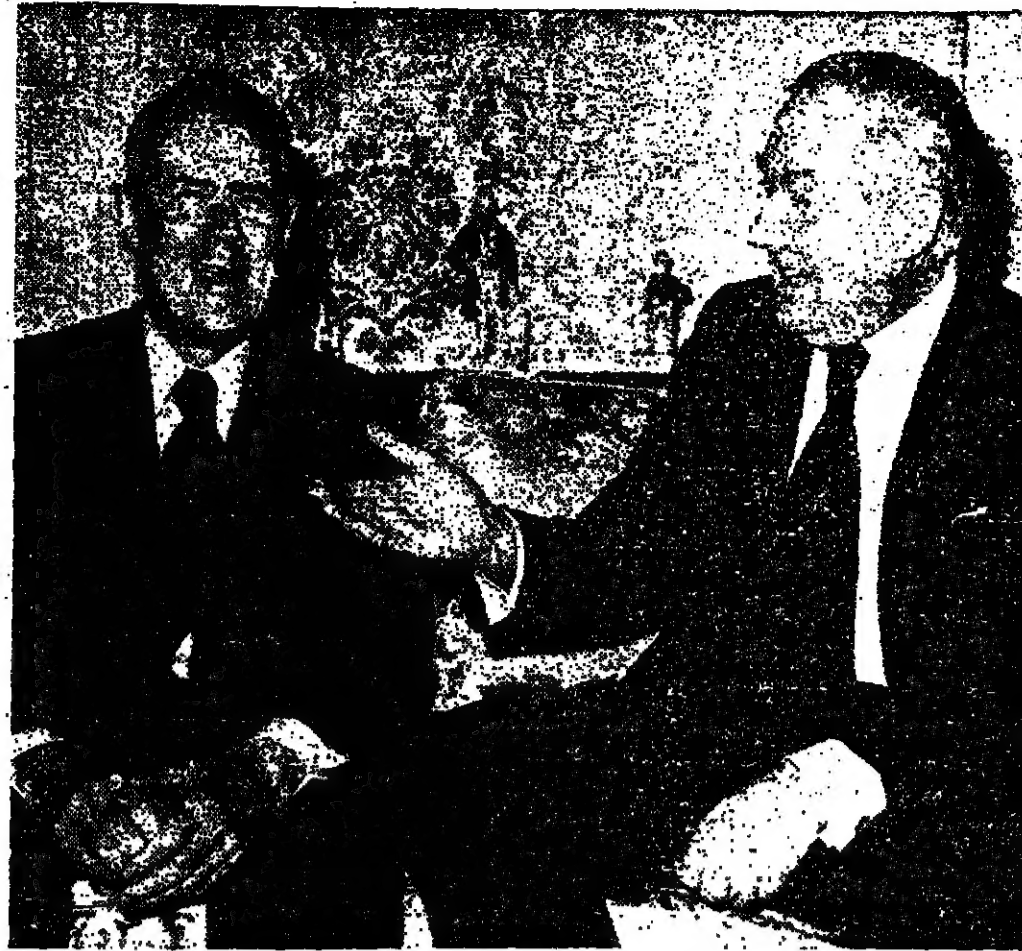
Progress had been made on other issues such as the ban on bacteriological warfare and the non-proliferation of nuclear weapons. There would also be another chance to discuss the strategic arms deadlock when he met Mr Vance in Geneva in May.

Asked whether the controversy with Mr Carter over human rights had contributed to the failure to reach an agreement during the Vance visit, Mr Gromyko said that anything that poisoned the atmosphere certainly had not helped.

"We do not try to teach others how to solve their internal problems, and we do not allow others to interfere in ours."

Moscow, March 31.—Mr Gromyko, in one outburst during his press conference, declared angrily: "It is being said by the other side that in Moscow a broad programme of disarmament was put forward and that the Soviet leadership did not accept it. That does not correspond to reality. It is an intrinsically false version."

Reuter.



Mr Vance, on his way home from Moscow, with Mr Callaghan at 10 Downing Street.

Carter warning to Russia on new weapons wins praise in Congress

From Fred Emery
Washington, March 31

President Carter's stated intention to "hang tough" with his proposals on arms reductions—meaning, he explained, no keep at it with "strong negotiations" until the Soviet Union came round—won widespread applause today from both parties in Congress.

There is little acceptance of "failure of Mr Vance's Moscow mission. Unstated is the belief that the Russians have been put on the spot for refusing a fair attempt at actual disarmament."

Those, like Senator Hubert Humphrey, who most favour arms reductions, agreed with President Carter that the Soviet leadership needed time to digest his "drastic" and "radical" proposals for missile reductions.

Others, like Senator Henry Jackson, who are sceptical of the Soviet arms build-up, coolly appraised the situation as typical Soviet "raving" of a new President.

Some Republicans tended to emphasise Mr Carter's suggestion that his present restraint on new American weapons might not last beyond the next meeting of Mr Vance with Mr Gromyko, the Soviet Foreign Minister, in May.

At the conclusion of his bas-

tily called press conference last night Mr Carter said: "If we feel at the conclusion of next month's discussions that the Soviets are not acting in good faith with us, and that an agreement is unlikely, then I would be forced to consider a much more deep commitment to the development and deployment of additional weapons."

The clear threat to accelerate development of the new B1 strategic bomber aircraft and the MX mobile intercontinental ballistic missile, is what some hardliners feel to be the only language the Russians will understand.

Some news commentators take a different view. In the Washington Star Mr Henry Bradsher noted that the Carter proposal boiled down to an American promise not to build future weapons in exchange for a Russian halt to and actual scrapping of present systems. This might have overwhelmed them.

A leading article in The Washington Post tonight suggested that the bloated appearance of Mr Brezhnev, which so startled Americans in Moscow, suggested deeper ailments and the possibility that Moscow was coming to grips with a leadership crisis.

The elements of the whole

debate on arms limitations have been changed as a result of Mr Carter's disclosures yesterday. In return for the offer of "strict limits on the range" permitted for Cruise missiles and other American restraints, Mr Carter wanted the following:

1. "Substantial"—if unstated—reductions in the overall totals of missile launchers and MIRV launchers;
2. Halt development and deployment of new weapons systems;
3. Freeze at about 550 the present level of land-based missiles—the American Minuteman, and the Soviet SS 17, 18 and 19;
4. Ban deployment of all mobile missiles—the Soviet SS 16 and 20, and the American MX, which is only at the development stage; and ask the Russians for "some assured mechanism" to distinguish between the Mobile ICBM SS 16, and the mobile medium range SS 20;
5. Limit range of the backfire bomber and the American Cruise missiles;
6. Limit test firings of ICBMs and MIRVs to six a year.

Mr Vance in London, page 8
Leading article, page 15

Nato upset as Britain plumps for Nimrod

By Arthur Reed
Air Correspondent

Britain's airborne early warning system is to be based on the home-produced Nimrod aircraft and associated radar rather than on an American aircraft and radar. Mr Mulley, the Defence Secretary, announced in the Commons yesterday.

The decision is a blow to the Nato alliance which had agreed in principle on the American system, based on the E3A aircraft, a version of the Boeing 707 airliner.

An official spokesman for Nato said in Brussels last night: "The alliance expresses great disappointment that this action was taken."

Britain had qualified its acceptance of the American system by saying that the finance ministers of the Nato countries would have to work out a plan for sharing the cost of the fleet among the partners in the alliance. This the ministers have so far been unable to do.

Rebels 50 miles from mining town as Zaire changes commanders

Kinshasa, March 31.—Zaire admitted today that a 5,000-strong force of former Kasai gendarmes was now only 50 miles from the important copper-mining town of Kolwezi in Zaire's southern province of Shaba, formerly Katanga.

Colonel Eluki, Zaire's former operations commander in the province, said here today that the invaders were equipped with Soviet-made mortars and rockets and had "European type" foreigners with them. He denied reports that General Bumba, the commander-in-chief of the Zaire Army, had been killed.

He disclosed that "violent clashes" had occurred at Mutshasha, 75 miles west of Kolwezi, between Zaire troops and the invasion force.

The pin-pointing of the invasion force ends three days of speculation on its advance towards Kolwezi along the Benguela railway line, which before the Angolan civil war carried most of Zaire's copper to the Angolan port of Lobito.

Colonel Eluki, who has now been replaced as commander in Shaba by Brigadier Singa, head of the Zaire gendarmerie, told journalists here that the invaders were using captured airports at Kisenge and Kapanga to fly in spares and equipment from Angola. "But we have bombed these airports," he said.

There had been official silence on events for the past three days, he added, because there was nothing new to report. He appealed to journalists for objective reporting and said Zaire did not want to impose press censorship.

Four hours later, however, correspondents found censors installed at the central telegraph office.

Meanwhile, there were reports in Kenya that President Amin had sent paratroops and Air Force personnel to fight the 23-day-old rebellion in Shaba. They were reported to have left Kampala on Tuesday in 30 Air lorries.

Agence France-Presse and AP.

Last-ditch defence of Mentmore

By John Young
Planning Reporter

A group of prominent public figures is making a last-ditch attempt to save Mentmore Towers for the nation before next Tuesday, the deadline imposed by the owner, Lord Rosebery.

At the eleventh hour the issue has taken on political overtones with ministerial meetings, baffled and baffling exchanges between the Treasury and the Department of the Environment, and efforts by Conservative and Liberal MPs to raise the matter in the Commons.

The catalyst was the disclosure yesterday that Trafalgar House Investments, the ship-plant and property group, has offered £500,000 in return for a peppercorn lease of up to 50 years. In addition it is prepared to undertake repairs and maintenance, which may cost anything up to a further £200,000, and would give to the Treasury and future profits from opening the house to the public.

However, the proposed natural depends upon the house and its contents being bought intact for the nation. The Government is refusing to put more than £1m from the National Land Fund, which still leaves a further £15m.

Hence the latest campaign, which is to persuade a number of leading financial institutions to advance the money to the Government, free of interest, to be repaid over five years, which would amount to a gift of £450,000 gross, or about half that after tax.

But the National Arts Collections Fund has said it will participate in such a scheme up to £250,000. Two of the four main clearing banks also have expressed willingness.

Last night Mr Patrick Cormack, Conservative MP for Southwark, South-west, said an all-party motion had been tabled in the Commons urging the Government to reconsider its decision not to acquire Mentmore and its contents.

Second top Treasury man leaving

By David Blake

Sir Derek Mitchell, Second Permanent Secretary at the Treasury and the man at the centre of many of the negotiations last year with overseas lenders to Britain, is to leave early next month. Sir Derek, who is 55, is to join the board of merchant bankers Guinness Mahon in October.

His departure means that the Treasury has now lost two of its top five officials in the last month. Mr Alan Lord, Permanent Secretary in charge of industry, left recently to move to Dunlop.

The other first came from Guinness Mahon last summer but he declined because he thought it would be wrong to leave at a time when it was clear that the economy was in for a stormy patch.

He reached his decision to leave about a month ago, but there is a strong impression that his mind was set in that direction for some time, and the conflicts he is believed to have had over the necessary terms for the IMF loan may have stiffened his resolve.

His decision to leave does not flow from differences of policy, however, it was made clear in Whitehall yesterday.

Man in the news, page 2
Leading article, page 15

'Chaos' fear if garages repay duty

By Roger Vialovier
Energy Correspondent

Up to £15m worth of excess duty on petrol sales will be refunded by the Board of Customs and Excise to oil companies if they agree to accept the Chancellor's Budget proposals on fuel taxes enacted on Monday.

But motorists must insist on a receipt for petrol bought before Monday if they want a chance of getting their share of the £15m back again, the oil companies say.

Shell said there would be "absolute chaos" if retailers had to give refunds of duty on petrol they had sold since the cost of their new deliveries of oil went up on Tuesday night.

Initial stages of the refund process will be easy, the Treasury says. If the vote to confirm the 5p a gallon increase in duty is lost the customs and excise will repay all the excess to the oil companies, who collect it on their behalf.

The big companies say they will be morally bound to repay any excess duty they have received from retailers.

Legally there is no obligation on the retailers to make any refund, the Department of Prices and Consumer Protection said yesterday. As there is no maximum price for petrol, retailers can charge what they like for fuel, provided motorists will pay.

But oil companies expect their dealers to pay back customers who can prove with a receipt that they bought petrol that included the excess duty.

Lib-Lab talks to avoid petrol price trap

By Michael Hatfield
Political Reporter

While ministers were exuding an air of confidence that the Government would avoid the trap awaiting it on Monday in the Budget vote on petrol prices, the Liberal Party, which has registered opposition, was not so sure.

Both sides are trying to reach an agreement and Mr Barnett, Chief Secretary to the Treasury, had a meeting with Mr Padoe, Liberal spokesman on Treasury affairs, yesterday. Last night Mr Padoe said no accommodation had been reached they were still negotiating.

The Liberals are demanding that the motorist should be freed from the duty increase of 5p a gallon, although they accept the increase on heavy oils. Negotiations have been complicated by the fact that both increases are contained within the one resolution.

The same complication applies to the increase in excise duty on cars, from £40 annually to £50, which the Liberals oppose, and the increases on heavy goods vehicles, which Mr Steel and his colleagues accept.

Mr Padoe said last night that he expected consultations with the Government to continue over the weekend. Ministers are creating Monday's dilemma: whether to approve the duty increases which would bring in £460m in revenue, as one of the highest importance. Defeat would create enormous administrative and legal difficulties, but the Government will not treat it as a vote of confidence.

There were suggestions that the Liberals were attempting to get a differential rate of increase between urban and rural areas, which the party views with special concern, but Mr Padoe said last night: "I do not think that is a solution this time."

With the Liberals apparently having shifted their emphasis during the day from the question of the rural areas to the motorist in general, it was not thought last night that two proposals the Government is bringing before the Commons will have any bearing on Liberal demands.

The first is the Passenger Vehicle (Experimental Areas) Bill, which originated in the Lords, allowing experiments in fuel designations, rural areas and different methods of public transport, including car-sharing, taxis and mini-buses.

The second measure is a White Paper on transport, which will include a section on rural transport, including probable recommendations to give more flexibility in the licensing system for public transport.

Our Parliamentary Correspondent writes: A revolt in the Labour ranks became apparent last night when Mr John Rymond, MP for Ely, said that he deplored the increased tax on petrol and would not support the Government on the proposal. It was anticipated that the motorist was again going to bear an intolerable additional burden.

He also deplored the increase in the road fund licence to £50. Parliamentary report, page 6
Leading article, page 15

New £800m gilt issue as MLR is cut to 9½pc

A full point reduction in minimum lending rate to 9½ per cent and a new £800m gilt-edged issue were announced yesterday. The cut in lending rate is designed to bring it in line with prevailing money market levels, but the bank makes it clear that it is anxious to moderate the accelerating fall in interest rates ahead of negotiations for a new pay policy and to deter embarrassing inflows of "hot" money from abroad.

Page 19

Dr Kaunda blames West for Soviet successes

President Kaunda of Zambia says in an interview with The Times that the West, and particularly Britain, has only itself to blame for the spread of communist influence in southern Africa and the "approaching conflagration" there. The West's failure to end white minority rule had left blacks no choice but armed conflict, in which they were supported only by the Eastern block countries.

Page 8

Tenerife 'TV' inquiry

The leader of the United States team investigating the Tenerife air disaster said they intend to check out a report that there might have been a television set in the airport control tower when the crash occurred. Black boxes and voice recordings have left for examination in Washington.

Page 8

Pub profits scrutiny

Prices and profits in Britain's 73,000 public houses and bars are to be examined by the Price Commission. Mr Battersley, Secretary of State for Prices and Consumer Protection, making the announcement welcomed the commission's findings on soft drinks and "mixers".

Page 4

NUS bar on 'fascists'

The National Union of Students voted to maintain its policy of actively discouraging "racist and fascist" speakers. Its conference at Blackpool rejected a move by the executive to alter the policy to one of an invitation to such speakers. Voting was 182-330 to 154,033.

Page 7

Deportation appeal

The promised Commons debate on the planned deportations of Mr Philip Agee and Mr Mark Rosenblatt was planned for Tuesday, the Government said, but the fact that Mr Rosenblatt is taking his appeal to the House of Lords on Monday will prevent it from taking place.

Page 4

Court blames AA

The House of Lords said that a tactic used by the Automobile Association to obtain higher costs for its solicitors in recovering small sums for members involved in accidents was a misuse of the process of the court Law Report, page 12

Japan orders trawlers to leave Soviet coast

Japan broadcast an emergency warning to its fishing fleet to leave its traditional grounds off the Soviet Pacific coast by midnight last night. Talks with Russia on a new fishing agreement have been deadlocked over Japan's claim to four islands occupied by the Soviet Union at the end of the Second World War.

Page 9

EEC butter veto

The European Commission has let it be known that it will prevent fresh sales of subsidised EEC butter to Russia. West German suppliers are negotiating the delivery of 35,000 tonnes to Moscow, but the Commission is against further sales to East European countries at the EEC taxpayers' expense.

Page 8

Miners oppose curb

Scottish miners are seeking support from the executive of the National Union of Mineworkers for rejection of a proposal by Mr Gormley, the union's president said the Chancellor could not continue to make tax concessions conditional on wage restraint. He would not recommend phase three to his members.

Page 2

Christmas complaint: The CBI has complained

that Christmas and New Year Bank holiday plans will hinder production.

Page 2

False applications: An inquiry into the affairs

of the Islington, North, Labour Party has upheld allegations of false membership applications.

Page 4

South Africa: Threat of confrontation between

Government and white labour unions over Bill to ban strikes.

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New York: Losing battle being fought in Bronx

and Brooklyn against arson.

Page 9

Ethiopia: List of 755 wanted men and women

is passed up by military rulers.

Page 9

Holidays in Greece: A four-page Special Report

on facilities for tourists who plan to visit resorts on and off the beaten track.

Page 12

The Ladbroke Park Tower Casino

Ladbroke's are delighted to announce that, a licence having been granted under the Gaming Act 1968,

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Ladbroke's leisure

Controlled use of tobacco substitutes in cigarettes receives approval

By Neville Hodgkinson
Social Policy Correspondent

The arrival in British shops of cigarettes containing tobacco substitutes and additives is now certain. The independent Scientific Committee on Smoking and Health has decided to raise no objection to the carefully controlled use of two tobacco substitutes, Citrel and New Smoking Material (NSM).

Before any cigarettes containing the substitutes are sold, however, the committee will require the companies concerned to obtain its agreement to their methods of conducting long-term human health studies, and to set a firm date for the start of those studies.

Dr Robert Hunter, Vice-Chancellor of Birmingham University, who is chairman of the

committee, said yesterday that he hoped agreement would be reached in a few months.

He thought the substitute tobacco would help to make smoking safer, although he body could possibly claim that they are going to create the safe cigarette.

The committee has also raised no objection within specified quantities to about 370 flavourings, colourings and other substances being added to tobacco. They have been used for 20 years in Europe or the United States without any evidence that they add to the ill effects of smoking.

But about 30 other proposals from companies for marketing tobacco products containing additives that either lack a history of long-term use or

about which the committee needs further evidence are to be considered later.

The committee's views were announced in a Commons written reply yesterday by Mr Ennals, Secretary of State for Social Services. He said the report was a valuable contribution to the success of the Government's general strategy on smoking and health.

The Hunter committee had been considering for nearly four years two submissions for the use of tobacco substitutes. One was from a consortium of Galahad and Carreras-Rothman for Citrel, a product of the Celanese Corporation of America, and the other from Imperial Tobacco for NSM, a product of ICI. Restrictions on use, page 2
Sale prospects, page 21

Leaders: On Mr Healey's Budget, from Mr J. Mortimer Gounady, and others; and on the Annan Report, from Mr Michael Poole and others.

Reviews: *Silver Spook*, Joseph Andrews, Jaberwocky, *Pleasure at Her Majesty's* and others.

Obituary, page 16

Sport, pages 10-11

Racing: Report and prospects from Grand National meeting; Football: Norman Fox on British teams' chances in World Cup; Business News, pages 19-25

Stock markets: Share prices fell on profit taking and the FT index closed 7.8 lower at 419.4. Gilt reviews were mixed.

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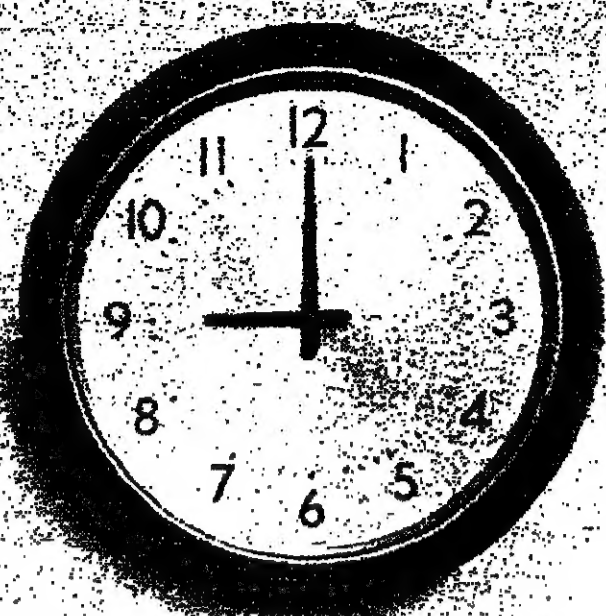
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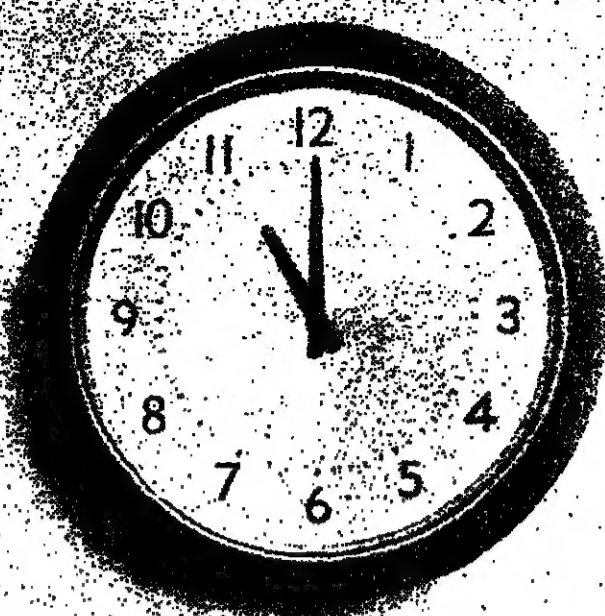
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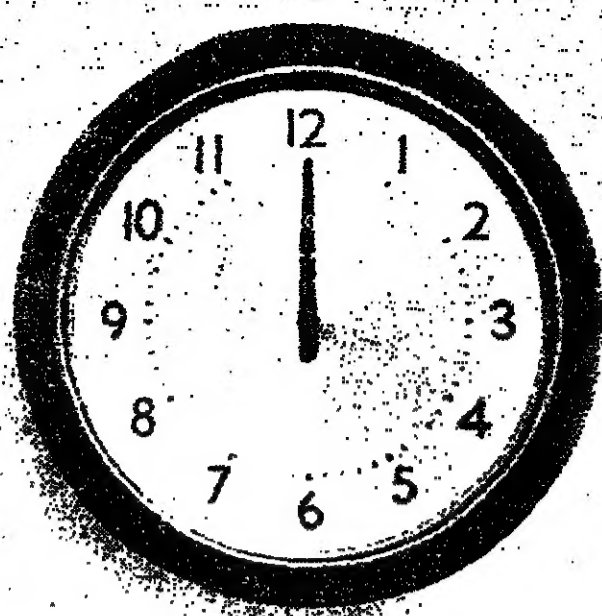
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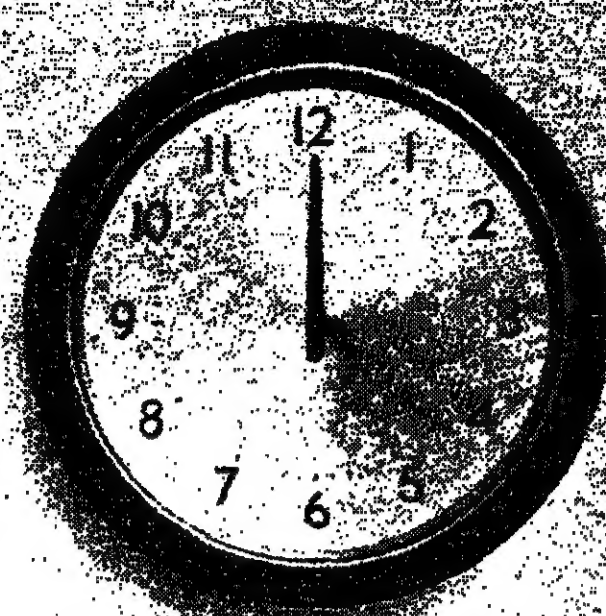
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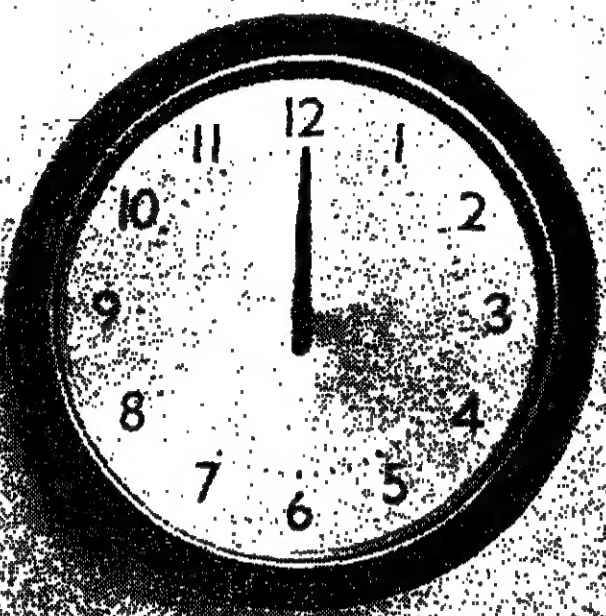
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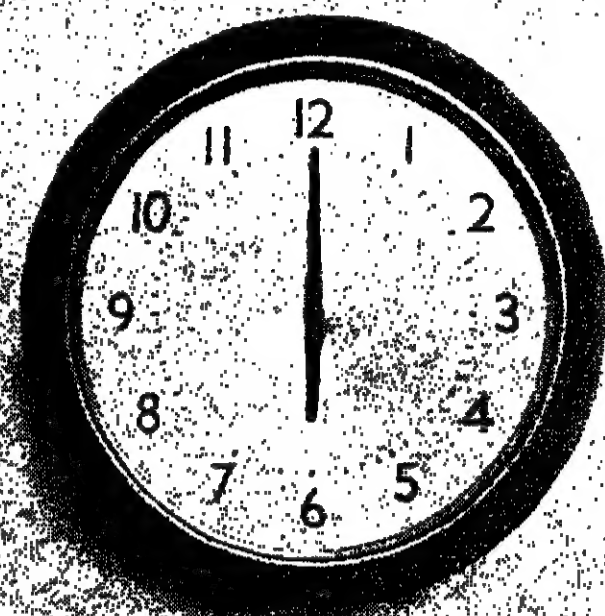
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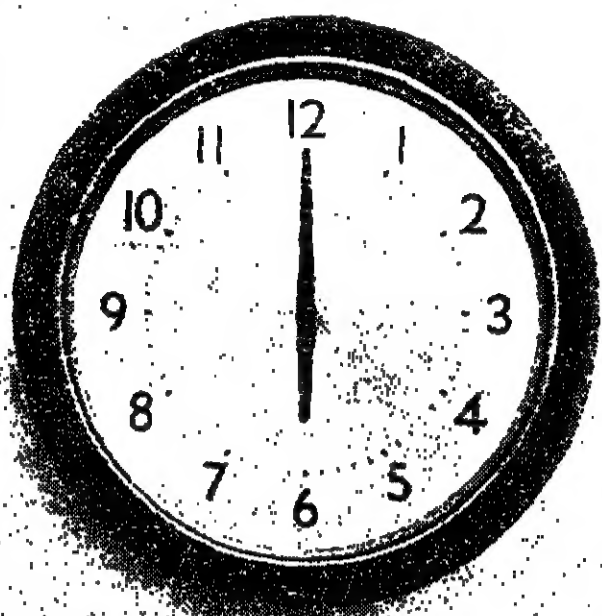
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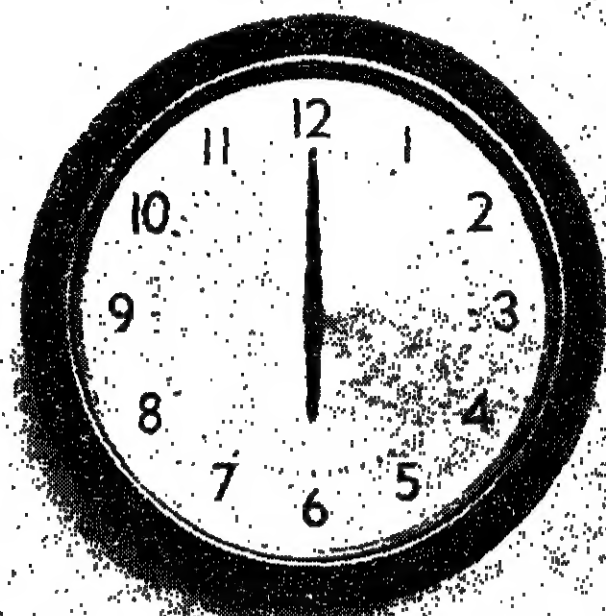
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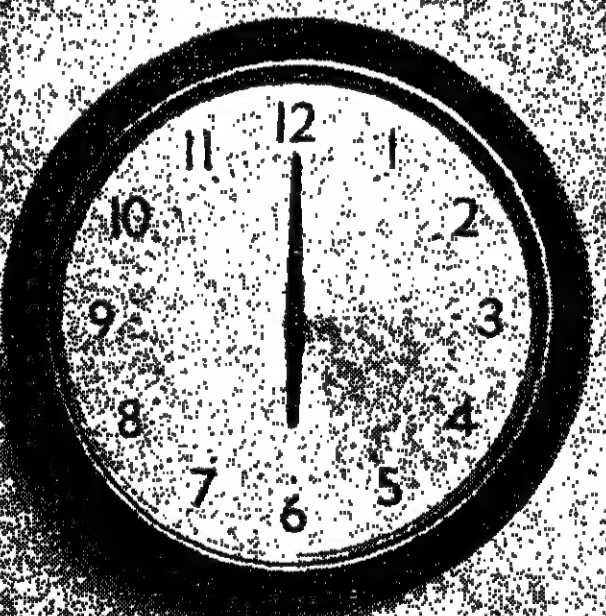
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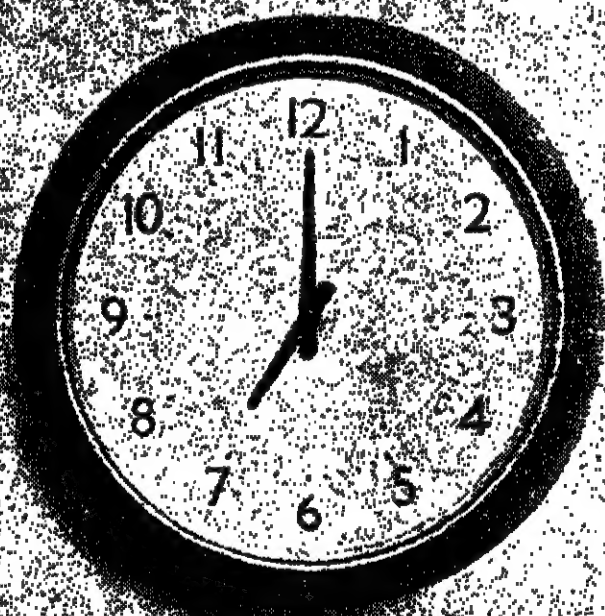
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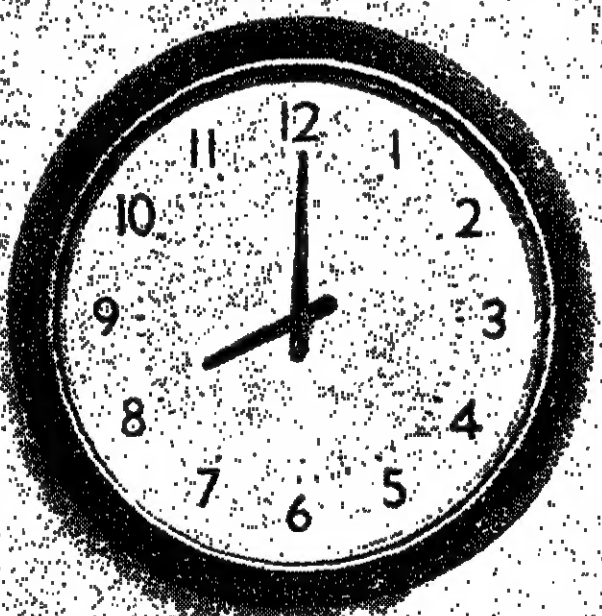
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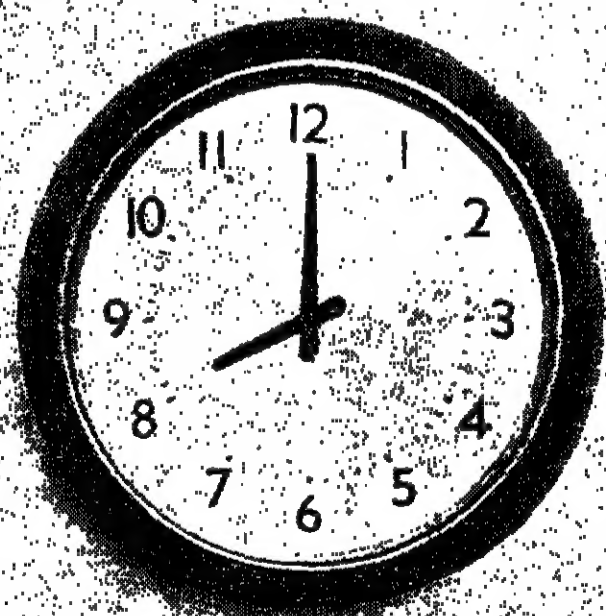
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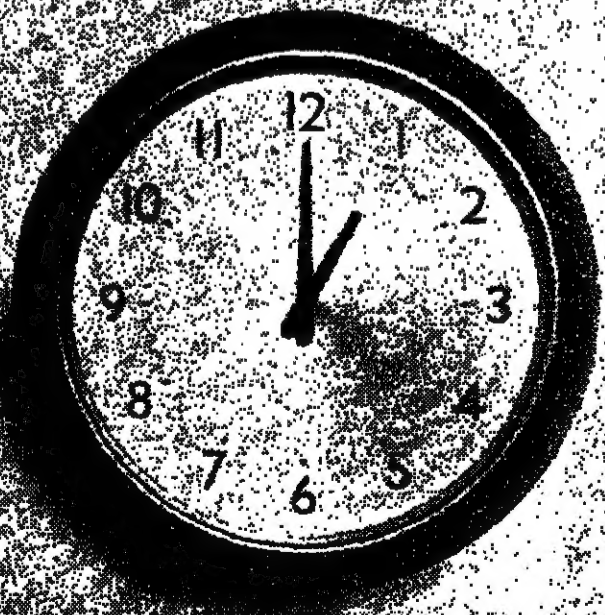
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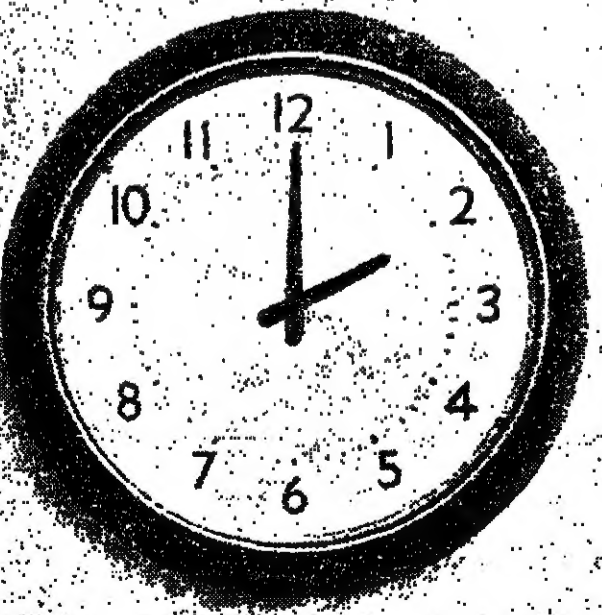
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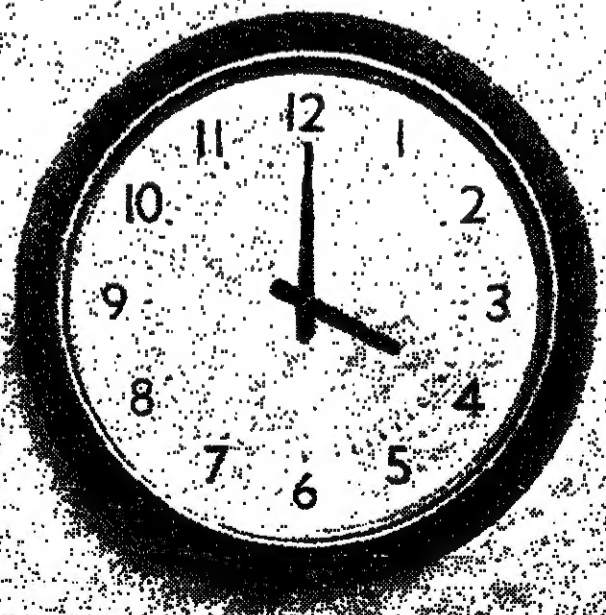
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HOME NEWS

Prices and profits in public houses and bars to be examined

By Ronald Embley

Business News Staff
Prices and profits in Britain's 73,000 public houses and bars are to be examined by the Price Commission. That was announced yesterday by Mr. Hattersley, Secretary of State for Prices and Consumer Protection, who welcomed the commission's findings on soft drinks and "mixers" sold on licensed premises. The study will be made by widening the scope of the commission's investigation into beer prices.

In its report, published yesterday, the Price Commission recommends that bar prices for mixers such as tonic water should be "reduced by at least 2p". It suggests that manufacturers and licensees could ensure that by joint action.

On mixers, the commission said that for the public to compare the price of a 4oz bottle of tonic with that of a public house at about 12p with the 8oz bottle available in most supermarkets and grocers for about 9p was unfair.

There are widely differing overhead expenses and profit margins in the public house industry, the commission says, but points out that the average gross margin on mixers is 54 per cent (effectively a "mark up" of well over 100 per cent) compared with a margin of 39 per cent on spirits and 33 per cent on beer.

The commission criticizes some manufacturers who have "loaded" price rises, within the provisions of the Price Code, on to the size of mixers usually sold in public houses. Also publicans, unwilling to deal in halfpennies, tend to "round up" to the next penny when manufacturers' prices rise.

On shandy and lager and lime, the report says it is common practice for prices "to be noticeably higher than the cost of the constituents would justify". The practice of charging for lemonade as if it were bottled is widespread and should end. That would effectively bring the price of shandy down by 2p a pint on average.

There is also criticism, strongly denied in the trade, that some licensees deliberately load prices of soft drinks sold separately to discourage demand. Mr. Hattersley would like there to be talks with licensees and brewers aimed at implementing the commission's recommendations. The Brewers' Society and the National Union of Licensed Victuallers said the mixer trade was only a small part of public house business, and it was unfair to attack the licensed trade without knowing the full picture of its pricing and profit structure.

Soft Drinks and Mixers in Licensed Premises. Price Commission report 23 (Stationery Office 60p).



Painting returned: Lady Spencer-Churchill, who is 92 today, had an unexpected birthday present yesterday with the return by a London dealer of one of the paintings sold at auction last month to help to meet her living expenses (our Arts Reporter writes). Mr. Roy Miles took it round to Lady Spencer-Churchill's flat and had tea with

her while the picture, one of her favourite works, painted by Sir John Lavery and showing her with her daughter, Sarah, in 1915, was rehanging in its old position in the hall outside her room. Mr. Miles is letting Lady Spencer-Churchill have the painting, part of which is shown above, on loan for her lifetime.

Debate on Hosenball case has to be cancelled

By David Leigh

Political Staff

The skirmishing between the Home Secretary and the two men he is trying to deport on national security grounds took a new turn last night. The Government announced that the promised debate on the Hosenball case would take place on Tuesday but on Monday it will have to announce that the debate is off because Mr. Mark Hosenball is to appeal to the House of Lords that day.

Labour MPs who have been supporting the two men were angry last night at what they saw as an attempt by the Home Office to bring pressure on Mr. Hosenball into dropping his next round of legal action.

The announcement of the debate, which has had to be cancelled at short notice, was already because the case became sub judice, was made immediately, at yesterday's routine business statement by Mr. Foot, the Leader of the House.

In this game of delay, the promised parliamentary debate is the last card the supporters of the two men can play, Mr. Rees, Home Secretary, promised in an earlier debate, on his decision that they would not be deported before the Commons had had a chance to debate the affair.

Parliamentary report, page 6

Courts say national security has precedence over freedoms
Predicament of 'non-identical twins'

By Stewart Tendler

Home Affairs Reporter

In the Court of Appeal this week Mr. Mark Hosenball and Mr. Philip Agee were described as "non-identical twins".

The description aptly meets their predicament and the threat of deportation. But five months since notice of intention to deport was served last November little has emerged about the metaphorical parentage of the twins.

National security was involved in their conception but Mr. Rees, Home Secretary, has refused to give any details of the deportations other than broad allegations. To lobby after lobby he has shaken his head negatively like the mother of an illegitimate child left holding the baby but loyal to the father's confidentiality.

Mr. Hosenball, aged 25, was accused of obtaining information for publication harmful to national security and prejudicial to the safety of servants of the Crown. An American, he was working as a journalist in Britain for some years. He wrote for *Time Out*, a London weekly magazine mixing information on events, theatre and cinema with offbeat and investigative journalism along left-wing lines.

Mr. Agee, aged 41, was accused of maintaining regular contacts with foreign intelligence agents, disseminating information harmful to Britain's security and aiding others to

obtain such information for publication. Mr. Agee is a former member of the CIA who wrote a book of his experiences and the faults of the agency. He has lived in Britain for some years, working on a second book, writing and lecturing. In recent years he has become something of a luminary in the field of CIA-sporting industry.

The Home Secretary acted under a section of the Immigration Act, 1971, covering matters of national security, and the cases of Mr. Hosenball and Mr. Agee have become the first under the particular section of the Act. No right of appeal is allowed in the Act but both men took advantage of a process of representations made to three members of an advisory panel.

It was hoped that the panel would clarify the details of the allegations, replacing the mountain of speculation and rumour that followed the notices of deportation. The CIA was said to have a finger in Mr. Agee's allegations. Was vengeance being sought for his spilling secrets on the CIA in Jamaica? Was he being accused of the death of a British agent behind the iron curtain?

Mr. Hosenball had started work for the *Evening Standard*, the London evening newspaper, but was he being accused for work written in *Time Out*? The two men knew each other and was there some connexion? Since Mr. Rees had recently

come from Northern Ireland, how strong were the reports of an Irish aspect?

When the panel began hearing representations in January not a great deal more was disclosed. It worked in a former Pall Mall club behind closed doors. Witnesses waiting outside could only read the private memorandum of a committee on water resources left in the waiting room or discover from an abandoned notice that a Nato committee had once met there. Inside, the panel would give little.

Mr. Agee conducted daily press conferences on the panel as it laboured through more than 250,000 words of evidence and a long list of witnesses. Mr. Hosenball played a very different game and refused to say anything at all.

By the beginning of February the panel had heard Mr. Rees, journalists and even Mr. Ramsey Clark, the former United States Attorney General. In the middle of the month Mr. Rees announced that he had examined the panel's advice and deportation orders would be served.

He refused to say what the panel had advised, although some sources said they were unanimous for the deportation of both. Other sources have since suggested they were split in favour of allowing Mr. Hosenball to stay and unanimous that Mr. Agee should go.

In their questioning the panel disclosed that they were in-

terested in Mr. Agee's life before he came to Britain when he worked in Paris and visited Cuba. Mr. Hosenball found that they were interested in an article on the Government's communication centre at Cheltenham, although he told them he had not written the article and the real author explained that the sources were public.

Mr. Rees's announcement pushed the affair to the courts, in which it is still trapped. Mr. Agee sought safety in the Scottish courts and failed. Mr. Hosenball, the two fighting separate campaigns, went to the High Court.

As the legal challenge began, the author of the communication article and a member of the defence committee set up to help the two Americans were arrested with a former soldier at the end of February under the Official Secrets Act.

In the courts the issue has moved from questions arising from journalistic work and freedom of information, which were invoked at the beginning, to issues of national security and the freedom of the individual.

Mr. Hosenball has failed in the Queen's Bench Divisional Court and the Court of Appeal after pleading that Mr. Rees had invalidated the deportation by failing to give sufficient details of the allegations. So far the national security takes precedence over freedoms. The next step is the House of Lords.

Applications for party membership were false

An inquiry by Mr. Reginald Underhill, the Labour Party's national agent, into the affairs of the Islington, North, Labour Party has upheld allegations of false membership applications. But the inquiry report says it cannot apportion blame.

The party's national executive committee ordered the inquiry in May last year after allegations of voting irregularities at the annual meeting of two ward branches.

There has been a long history of conflict within the constituency party between left-wingers and supporters of the MP, Mr. Michael O'Halloran. The conflict came to a climax on March 11 this year when Mr. O'Halloran alleged that he was punched and kicked by some of the party's supporters against his support for amendments to the abortion Act.

Allegations of false membership applications were presented to the inquiry in evidence from four party members.

The report says:

We are extremely concerned with the evidence presented regarding applications for membership but we note that these were reported in 1974 and, although the matter is serious, we are surprised that it has not been brought to the attention of the party's national executive committee. We regret that it has not been possible to place the responsibility for the submission of these false applications.

Extraordinary steps have been taken by various persons on both sides to encourage other members to attend important meetings in view of securing support for their own favoured nominees and resolutions.

We regret that from the evidence before us there is a regrettable absence of comradely spirit and tolerance in the constituency party. We find it difficult to apportion responsibility for the events and atmosphere within the party.

Some matters raised by complaints are clearly substantiated, but it would appear that in some instances the party's national executive committee has looked around for issues to raise in order to embarrass and oppose the present constituency party leadership.

As a result of the report, which has been sent to all members of the national executive, a member of the party's London regional staff will attend every meeting of the Islington, North, party for the next year.

Man cleared of trying to kill former mistress

Socrates Pieri, aged 47, was cleared at the Central Criminal Court yesterday of trying to murder his former mistress in her bath. He was acquitted of attempting to murder Miss Ourania Christodoulou at her home in Sussex Way, Holloway, last November.

The jury also acquitted him of attempting to cause her grievous bodily harm, and assault causing actual bodily harm. Mr. Pieri, of Park Avenue, Palmers Green, told the court that Miss Christodoulou was taking when she ran naked into the street, screaming for help and then the police that he had thrown a live electric wire into her bath.

He said Miss Christodoulou had staged the incident to get him to prison. They had argued over keys to her flat and she often threatened to get him sent to jail.

Group to study running of mental hospitals

By Our Health Services Correspondent

Mr. Ennals, Secretary of State for Social Services, announced yesterday that he is setting up a high-level working group to examine shortcomings emphasized in recent reports of inquiries into mental hospitals.

The group will comprise people with practical experience, including members of the social services, community councils, voluntary organizations and the Health Advisory Service. Names will be announced shortly and Mr. Ennals expects the group to report to him next year.

In a Commons written reply he said the group would examine particularly management difficulties of hospitals and units concerned with mental illness.

Doctors worried over use of potent drugs

By John Roper

Health Services Correspondent

Doctors are becoming increasingly worried about the use of the potent drugs now available. The Royal College of Physicians held a press conference yesterday about the testing of new drugs and responsibility for, at times, unforeseen effects.

Sir Eric Scowen, chairman of the Committee for Review of Medicines, said new monitoring systems were being considered and consultations were taking place with the industry,

doctors and other bodies to see if a workable scheme could be agreed.

At a conference prompted by concern about adverse reactions to prazolol, a useful drug which produces adverse reactions in a small number of patients, Sir Eric said:

"Modern medicines have become so powerful that there must be some doubt about the ability of one person to comprehend fully every new product. We must not wish in any way to suggest that the right of doctors to prescribe as they see fit should be eroded, but it is now debatable

whether all practitioners are equally competent to handle every new potent substance immediately after its introduction."

Dr D. G. Davey, formerly research director of ICI pharmaceuticals division, said metabolic investigation must be done in rats and dogs and later in man. That was worrying and the time had come to review toxicity-testing procedure. The present way of doing some toxicological tests and the interpretation given to positive results in animals were unreal and had little relevance to what would happen in man.

New compensation code for Northern Ireland proposed

By Our Legal Correspondent

A proposed new code laying down the criteria to be applied in assessing compensation to be paid to people whose property is damaged by criminal acts in Northern Ireland was published yesterday.

The draft order contains provisions extending the ambit of Criminal Injuries Compensation (Compensation) Act (Northern Ireland), 1971, the existing legislation on the subject.

The proposed order would make compensation payable where damage was caused by any organization engaged in terrorism. Under the 1971 Act only damage done by officially proscribed terrorist organiza-

tions could become the subject of a claim.

In determining whether compensation should be paid, and how much, the Secretary of State for Northern Ireland would become entitled to take into account circumstances such as whether the applicant had made unlawful use of the property; whether he had behaved provocatively or negligently; whether he had taken reasonable precautions to avoid damage to his property; and the degree of help he gave towards arresting the offender.

The draft order follows the report of a committee, chaired by Lord Widgery, which looked into the 1971 Act.

Fostering plan for the elderly

A scheme to provide foster-homes for elderly people was approved by Leeds Social Services Committee yesterday. The social services department said families willing to foster would receive training and advice. Leeds has a waiting list of 600 for places in permanent homes.

Assaults on boys by verger

James Abson, aged 42, head verger of St Albans Cathedral, lured choirboys to his caravan and indecently assaulted them. St Albans magistrates were told yesterday.

Mr. Abson, of St Stephen's Hill, St Albans, was fined £500 after pleading guilty to three charges of indecent assault.

'Wine waiters paid only £12 a week'

Les Ambassadeurs, a private luncheon and dining club in Hamilton Place, Mayfair, paid wine waiters a basic wage of only £12 a week, an industrial tribunal in London was told yesterday. It rose to £18 in April, 1976, but was still below the legal minimum of about £23, it was stated.

Mr. Umberto Berlen, aged 40, an Italian wine waiter from Chelsea, was appealing to get

his job back at the club. He was dismissed for allegedly "reckless of garlic", being rude to a customer, serving wine over the wrong shoulder and bursting into a private meeting with wine inspectors.

Mr. Berlen said he joined the Transport and General Workers' Union in March, 1976. Others joined a few days later. He continued: "Three or four weeks after I joined they said I should be tea leader. The club

found out that I was acting on behalf of my colleagues in June or July.

"Their attitude towards me changed. Until that time they had no complaints against me. My attitude to the management did not change. I respected them."

Mr. Habib Oughlani, another wine waiter, who was also dismissed, said he played an active part in the union at the club. The hearing continues on May 10.

Knightsbridge 'maisonette' fetches £1.2m

By Our Estates Correspondent

A price of £1,200,000 has been paid for the penthouse and a large part of the floor below in South London. The block, which is being built in Knightsbridge, London. The sale is to a Swiss company, but it is understood that it will be occupied by a single family. The completed, the maisonette could provide up to 17 bedrooms, six bathrooms, 11 bathrooms and two kitchens, depending on layout.

Hampton, which acted with Aylesford in the sale for Trafalgar House Development, says more than two-thirds of the block, due for completion next March, has been sold or reserved.

Cars blown off M62

Several cars were blown off the trans-Pennine M62 motorway near Huddersfield, by high winds yesterday. No one was injured.

More home news, page 7

TO BE WON!
New Zealand Silver Jubilee Dollars
Coins & Medals. May issue, offers eleven as prizes in a competition quiz. It also features a background to New Zealand coinage, leading coin & medals designer James Berry, 50 cent coins from the Pacific area. Plus investment advice and market guide etc.

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Science report
Pollution: Lead and mental handicap

Despite countless research studies and conflicting dogmatic statements by experts there is still uncertainty about the importance of lead in environmental lead pollution.

The effects of chronic lead poisoning on adults are well known—anaemia, nerve damage and colic—and safety levels have been agreed for industry and for domestic water supplies. What is not yet certain is the effects of children of exposure to lead at levels that cause no obvious symptoms.

In particular there have been several studies showing an apparent link between abnormally high amounts of lead in the environment and mental handicap in children. The latest study comes from Professor Abraham Goldberg's unit at Glasgow University. Two years ago his team showed that there was more lead in the domestic water supply of the homes of mentally handicapped children than in the water in normal children's homes. They have now taken that investigation a step further by carrying out

tests on blood specimens taken from those children in the first 14 days of life.

All children born in Scotland have a blood specimen taken soon after birth to exclude the possibility of a rare but serious congenital disease, phenylketonuria. It is on the basis of a card for the test and the cards are stored.

Professor Goldberg's group reviewed the cards of 89 of the mentally handicapped and normal children (now aged between 4 and 7 years). Tests on the lead content of those blood specimens showed that those from the handicapped children contained slightly, but significantly, more lead.

The implication drawn is that there was a link between the children's mental handicap and the lead content of the water drunk by their mothers during pregnancy.

The findings provide yet another piece in a jigsaw that is still far from complete. Professor Goldberg believes that the high lead content of the tap water in many

Glasgow houses may be one factor in the cases of mental retardation for which there is no other medical explanation. He points out that there are 1,700,000 households in Britain in which water left standing in the pipes at night, which becomes the first sample taken from the tap in the morning, contains more lead than the World Health Organization limit.

Other authorities are more cautious, pointing out that the studies linking lead with mental handicap have been mostly retrospective and that there is no clear connexion between the severity of mental handicap and the amounts of lead in the blood.

No one, however, will dispute Professor Goldberg's assertion that water supplies should not be contaminated with lead. In Glasgow the necessary changes are being made.

By Our Medical Correspondent
Source: The Lancet, April 2, 1977, p.17.

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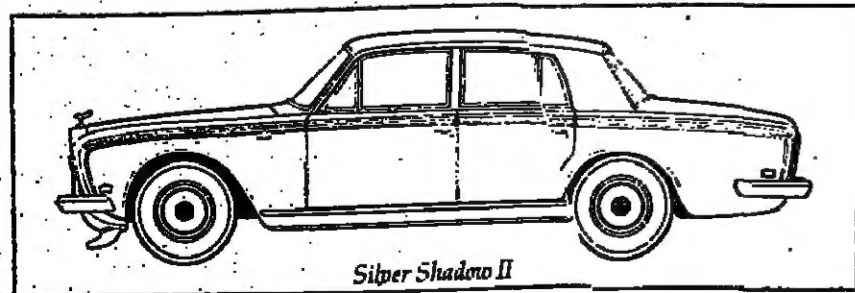
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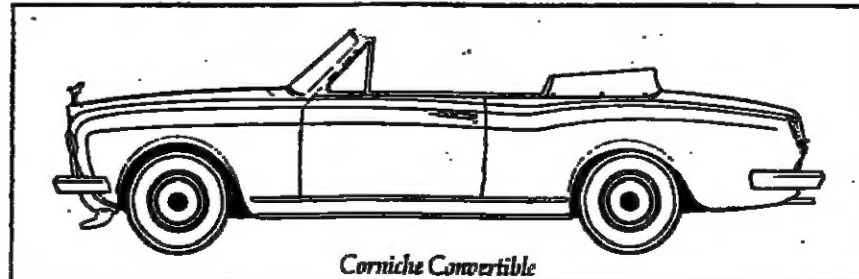
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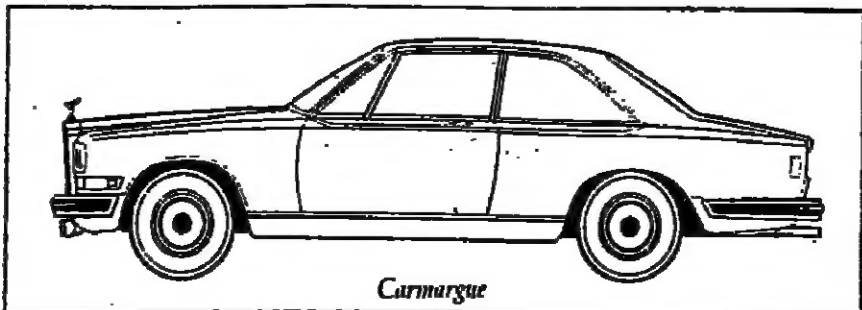
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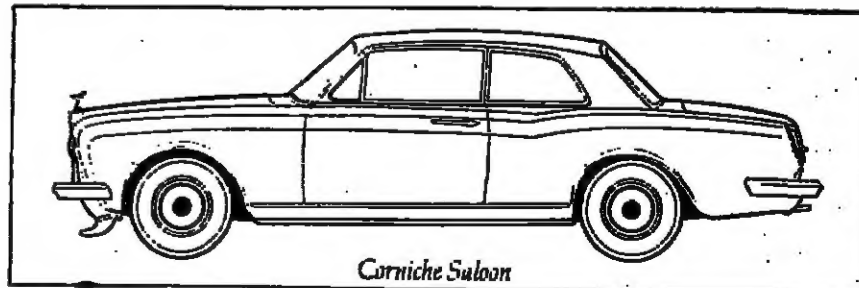


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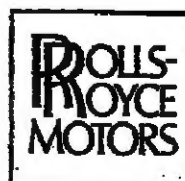
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PARLIAMENT, March 31, 1977

Conservative MPs pursue Mr Callaghan in vain over Labour-Liberal agreement

House of Commons

Despite angry Conservative protests, the Prime Minister declined to answer a number of questions relating to the Labour-Liberal pact. He said that he did not propose to discuss inter-party relations in the House.

During exchanges, Mr Michael Gwynne (North-West Surrey, C) suggested the Prime Minister should make another broadcast because there was a lot of doubt in people's minds about the present farcical situation over the entire cordial relationship between the Liberal and Socialist parties.

What is the (asked) the joint executive committee? Is it a secret talking shop? Does it have executive powers? Will its minutes be published? What has it decided over the petrol tax? People want to know.

Mr Callaghan—After my two broadcasts last week, which met with generally favourable reactions, I would be happy to take up further invitations.

Having watched the two Budget broadcasts, the excellent one given by the Chancellor and the feeble reply given last night—I am content to leave it to judgment between the two.

As for other matters which Mr Gwynne raised, he has overlooked the answer I gave on this matter on Monday.

Mr Robert MacLennan (Brentwood and Ongar, C)—If the Prime

Minister broadcasts on the Lib-Lab pact will be contradicting the leader of the Liberal Party (Mr Steel) who suggested that one of the benefits is that we shall not be having nationalised the banks and insurance companies.

That was not in the Labour Party manifesto and therefore we would not have had it anyway in the present Parliament.

Mr Callaghan—He has overlooked the answer I gave on Tuesday. (Conservative protests and cries of "Answer.")

During later questions on the responsibilities of the Patronage Secretary—the Government Chief Whip, Mr Michael Cooks.

Mr Jonathan Aitken (Thames, East, C) asked the Prime Minister whether he was not feeling a little bit sorry for the Patronage Secretary who, like everyone else, seems to have been taken for a ride by the increasingly dubious nature of the Lib-Lab alliance?

He himself has been hit by one of the first fruits of the deal with the Liberals, namely the document submitted to him by the Liberals on the Liberal terms for devolution. It has today been discovered that it was not written by the Liberal Party at all. (Laughter.)

Did the Prime Minister know when he received this document from the Liberal leader that it was a photocopy of a memorandum written by a pressure group known as the "Liberal Club"? (Renewed laughter.) Just who is kidding

whom over this latest Liberal cock-up involving... (loud interruptions.)

Mr Jack Ashley (Stoke-on-Trent, South, Lab)—The indignation and anxiety expressed by the Conservative Party about the arrangements made by the Prime Minister with the Liberals, indicates that it is seriously damaging to them and the good reason for continuing it, at any rate on a temporary basis.

Mr Callaghan—I do not intend to answer questions on inter-party relations of this nature in this box. (Conservative protests.)

Mr Peter Rinker (Blackpool, South, C)—The Prime Minister's answers are not good enough. Will he please answer Mr Aitken's question?

There were Conservative cries of "Answer" as Mr Callaghan declined to respond.

Mr Eric Heffer (Liverpool, Walton, Lab)—Many of us are not surprised if the Prime Minister becomes somewhat confused, because, for example, in Liverpool the Liberals seem to be much more concerned with an alliance with the Conservative Party against the Labour Party. (Laughter.) In this House, they seem to be more concerned with an agreement with the Labour Party against the Conservative Party.

Perhaps one day the Prime Minister might get a clear answer as to where the Liberals stand. (Cheers and laughter.)

Mr Callaghan—All this may be true, but I do not propose to discuss inter-party relations in this House.

Mr Neil Martin (Banbury, C) asked the Prime Minister whether his ministerial colleagues later today, he should discuss the proposition of the Conservative Party to the Liberal Party (Mr Steel) should be invited as a fraternal delegate to the Labour Party Conference.

Mr Callaghan declined to answer.

Mr Norman Lamont (Kingston upon Thames, C), on a point of order, said: I fully appreciate that the content of ministerial answers is a matter for the Chair, but the Government have a deal—no secret one, but a publicly arranged agreement with the Liberal Party, and it is a matter for the Chair whether the Government must be modified by that agreement. Surely Mr Callaghan ought to answer questions? (Loud Conservative cheers.)

The Speaker (Mr George Thomas)—It is not for me to tell the Prime Minister what to answer. Mr Michael Bates (Petersfield, C) unsuccessfully sought an emergency debate on the persistent refusal of the Prime Minister to answer questions on the joint consultative committee with the Liberal Party which he announced in detail in his speech to the House on March 23.

Effects of rejection of a rise in petrol tax

The Prime Minister was closely questioned about what would happen if the Budget resolution to increase petrol duty was defeated on Monday.

Mrs Margaret Thatcher, Leader of the Opposition (Barrow-in-Furness, C), said: Has he taken time to consider what would be the consequences for those people who have been sold petrol, since Tuesday if the Budget resolution were not passed on Monday evening? It is an important constitutional question. (Conservative cheers.)

I hope Mr Callaghan will make clear what consequences would flow from that decision.

Mr James Callaghan—I will certainly consider that matter. We put the resolution before the House to be resolved. It is not a matter of what would happen if it were not. (Conservative shouts of "What are they?")

Mrs Thatcher—The Prime Minister, on his own admission, is leading a minority Government. He must have taken time to consider this before the resolution came before the House. We are in a bit of a bind.

If he knows the answer, why will he not tell us, or is it he does not know? (Loud Conservative shouts.)

Mr Callaghan—The position will be considered on Monday, as for any other vote. When the Government put a motion down, they expect and hope it will be carried.

Mr Norman Tebbit (Waltham Forest, Chislehurst, C)—The House should know before it votes on the Budget resolution on petrol what the effect of refusing to pass that resolution would be—(Liberal interruptions)—I wish, if the Lib-Lab pact is broken, that they would keep their mouths shut. (Conservative cheers.)

For two days now, people have been paying more on petrol and it may well be that the Government will not be passed. Mr Callaghan must know the answer. Will he give it? (Conservative cheers.)

Mr Callaghan—As soon as the Chancellor has finished his Budget statement and the Budget resolutions are put every year, this change takes place. It is always subject to ratification by the House at the time of the debate. This is the normal process that will be followed on this occasion.

Difficult issues in police pay claim

There was not much time left before the moderate leaders of the Police Federation met with the Home Secretary to discuss the police pay claim. The Police Federation has been asked to consider the possibility of changing the negotiating procedure and also to talk about some adjustment of fringe benefits?

Mr E. J. Griffiths (Bury St Edmunds, C), said: We have discussed three forward commitments with them—all marginal I accept—and other matters concerning widows of police officers dying in service and compensation.

We have promised a review of police negotiating machinery and an inquiry into the constitution of the Police Federation. The Police Federation has been asked to consider the possibility of changing the negotiating procedure and also to talk about some adjustment of fringe benefits?

Mr E. J. Griffiths (Bury St Edmunds, C), said: We have discussed three forward commitments with them—all marginal I accept—and other matters concerning widows of police officers dying in service and compensation.

Mr Robert Adley (Christchurch and Lyngstone, C), said: The police pay claim is a difficult issue. It is taken for granted that this is a weighty factor in negotiations involving the social contract.

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A latter day Portia after blood donors

Miss Janet Fookes (Plymouth, Drake, C) asked the Home Secretary to consider the possibility of making blood donors as part of the repayment of their debt to society.

Mr E. J. Griffiths (Bury St Edmunds, C), said: We have discussed three forward commitments with them—all marginal I accept—and other matters concerning widows of police officers dying in service and compensation.

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Debate refused on Montmorency

Mr Patrick Cormack (South-West Staffordshire, C) unsuccessfully sought an emergency debate on the future of Montmorency and its surrounding area.

Mr E. J. Griffiths (Bury St Edmunds, C), said: We have discussed three forward commitments with them—all marginal I accept—and other matters concerning widows of police officers dying in service and compensation.

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Document and debate on direct elections

The White Paper on direct elections to the European Parliament will be published tomorrow (Friday), Mr Callaghan said.

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General welcome for decision to go ahead with Nimrod early warning system: 6,000 extra jobs

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that a single Nato airborne early warning force, though it would be an ideal solution, is not the only way in which Nato could meet its early warning requirements could be met.

We shall continue to work for arrangements which will secure maximum military effectiveness from the resources which the alliance eventually decides to devote to the airborne early warning task.

Mr Winston Churchill, an Opposition spokesman on defence (Stratford, C), welcomed Mr Callaghan's statement. It is more than a fall back option (he said) it is a superb piece of British technology.

This will be welcomed by workers at Harrogate, where Marconi Elliott as well as the hundreds of subcontractors whose jobs are involved.

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charge our share of Nato and our own national early warning system and we shall do all we can to make it contribute to the collective and common funded purpose of the alliance.

Mr Maurice Miller (East Kilbride, Lab)—This is a wise decision and one that Mr Miller will not regret because this aircraft can do everything the American aircraft can, except 7,000 jobs will be safeguarded and the long-term technology involved will stand us in good stead for the future.

Mr Miller—One of the factors in making the decision is the cost. It is not a matter of whether we can afford it or not, but whether we can afford to lose the jobs involved. I have placed much reliance on the fact that they have been successful in getting one, in AWACS.

Mr Jeremy Thorpe (North Devon, Lib)—Will he confirm that the cost of this country will be no greater than if we had contributed to the Boeing project that we are safeguarding 7,000 jobs as opposed to 100 as the most if we had joined the Americans subcontracting the work; and that technically the Nimrod project is far more in keeping with the cost of the requirement than being so that we gain three times round?

Mr Miller—As to cost it is impossible to give precise figures because we have to enter into contractual negotiations with the Americans. One difficulty with the AWACS project is that we are far from agreeing in Nato the division of cost. Over the years we have seen the Nimrod may cost more than our share, had we been successful in getting one, in AWACS.

On capability, the Nimrod being specially designed for the performance, will have the additional capability over sea which could be made available in AWACS but which was not in its original design.

As to jobs one cannot be precise, but I would not quarrel with the figures. There are about 5,000 to 6,000 jobs in this country by the Nimrod programme and we would not have expected from the AWACS programme.

Mr Miller—The number of aircraft we envisage is 11. In the first stage we have to develop the system which is a good deal of work, still to be done.

It does not require the building of new aircraft because we have the Nimrod. It is a matter of adaptation, and it will be a considerable adaptation. It will employ about 1,500 people for about five years.

As to the performance of Nimrod we are satisfied it will do.

Government now spending £400m a year to create extra jobs

Mr Albert Booth, Secretary of State for Employment (Barrow-in-Furness, Lab), said when the debate on the Budget was resumed, it was a grave error to think that the current rate of spending unemployed would go on for long.

It would be unwise not to recognise the risk they run. It was the Government's policy to project a return to full employment by the end of 1980.

The most formidable obstacle was the fact that the Government had to pay for the unemployment benefit. They had to stop the fall in Britain's share of world trade and increase that share. The industrial strategy had to be changed to meet the challenge of the new world.

During the last five years the Government expected the work force to increase at a rate of 1.5 per cent a year. The result of the higher birth rate of the early 1960s, and partly as a result of the larger number of women seeking jobs.

In the short term the Government had to pay for the unemployment benefit. They had to stop the fall in Britain's share of world trade and increase that share. The industrial strategy had to be changed to meet the challenge of the new world.

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HOME NEWS

Operations cancelled after porters strike at children's hospitals

By Christopher Thomas
Labour Reporter

Two London hospitals for children were seriously affected yesterday by an industrial dispute involving porters and telephonists.

Operations at the Queen Elizabeth Hospital in Hackney have been cancelled today. The Great Ormond Street Hospital also faces disruption. Clerical workers last night volunteered to man the Queen Elizabeth Hospital switchboard and a limited service was being maintained at Great Ormond Street switchboard.

The stoppage came after three members of the National Union of Public Employees (Nupe) at Great Ormond Street had been suspended on full pay after refusing to obey an order. The union called out its members in both hospitals demanding that the men should be reinstated.

The Advisory, Conciliation and Arbitration Service (Acas) was called in yesterday and it is understood that an attempt to find a solution will be made this morning.

Medical staff have been forced to do porters' duties, such as wheeling patients to operating theatres, changing and cleaning specimens for laboratory tests.

Mr Stephen Parsons, assistant secretary at the Queen Elizabeth Hospital, said: "If there is a real emergency we must have trouble. The porters walked out without making any emergency arrangements. We had very short notice that they were going."

Mr John Clark, branch secretary of the union, said last night that as chairman of the hospital board of governors of the hospital, Mrs Callaghan, wife of

the Prime Minister, had been made aware of the suspension of the three men, but she had done nothing to help.

The dispute began when the men were told to get hospital records from the basement three inches deep in water. "It is normally a job done on overtime pay, but the hospital said it would no longer be like that," Mr Clark said.

At the Queen Elizabeth Hospital, the domestic staff involved in the Surrey hospitals' strike returned to work yesterday after agreeing to refer their dispute over duty rosters for 30 of them to an independent mediator. The mediator was named last night as Professor George Bain, director of Warwick University's industrial relations research unit.

Two stoppages earlier in the day were settled after a few hours. The returning staff walked out of the Schiff Hospital, Chelsea, because of the attitude of other domestic staff who belong to another union and who worked normally throughout the strike.

At the Manor Hospital, Epsom, centre of the dispute, some domestic staff stopped work pending a full explanation of the agreement. Most of those involved were Spanish, and translations of the agreement were drawn up.

Mr Michael Margrave, chairman of the Surrey Area Health Authority, explained the deal yesterday to heads of department and nursing staff at three of the five hospitals involved. He appealed to workers to be patient and to give the agreement time to succeed.

Those involved in the dispute were members of the Transport and General Workers' Union. Members of the Confederation of Health Service Employees worked normally.

More Asian staff for child care proposed

By Diana Geddes

Greater involvement of the coloured community and recruitment of more blacks and Asians at children's homes are among recommendations made in a report of the Community Relations Commission on ways to cope with the needs of black and Asian children in care.

The report, published today, shows that although ethnic minorities form only 3.2 per cent of the population, black and Asian children account for about a third of those taken into care for reasons other than conflict with the law.

The report says there is a strong relationship between social deprivation and breakdown of families. Children, recruited into care come disproportionately from those areas with poverty, overcrowding and bad housing, and there is evidence that ethnic minority families are more likely than whites to live in such areas.

Three quarters of West Indian women go out to work compared with less than half the indigenous female population, which often means children are left alone. The absence of relatives in Britain, who might look after the children, adds to the difficulty. A high proportion of West Indian families have no resident father.

Guidelines should be issued to local authorities on how to cope with the special needs of coloured children, the report says. In addition to recruiting more black staff, it recommends special training for staff at residential homes to develop an understanding of those needs.

A Home from Home? Some Considerations on Black Children in Residential Care (Community Relations Commission, 15-16 Bedford Street, London, WC21).



Jubilee overture: The Junior Band of the Royal Marines marching in Guildhall Yard yesterday to open the City of London's silver jubilee celebrations. The band comprises 40 boys aged between 17 and 19 who have completed training at the Royal Marines School of Music at Deal, Kent.

The 'great white elephant' hunters

Party that would like to abolish the Greater London Council

By Peter Godfrey

Billed as the first elected representatives likely to vote themselves out of office, "GLC Abolitionists" candidates will take their place alongside more familiar party ranks at the Greater London Council elections in May.

The campaign to abolish "London's great white elephant" which the abolitionists estimate will cost nearly £2,000m this year to keep alive, was launched yesterday by Mr Oliver Stutchbury, a former Labour alderman on the GLC. He hopes to find candidates for all 92 constituencies by the registration deadline of April 13, although only six nominations have been confirmed to date, including his own in Chelsea, "where I lived until last August, when I was driven out by the rates".

Mr Stutchbury was moved to disown his previous incarnation by experiences as vice-chairman of the GLC's policy

and resources committee from 1974 until his resignation from the council. "I had stomachached the bureaucratic machine for too long, and could no longer stomach the prospect of advocating it."

The abolitionists' thesis is that the GLC constitutes a redundant layer of government between Whitehall and town hall, duplicating work that would be more efficiently and cheaply performed by individual boroughs. "Britain's malaise is overgovernment, and the GLC is filled with politicians and bureaucrats performing no useful purpose at great expense," Mr Stutchbury said.

The campaign's manifesto claims that each new GLC council house puts £1,000 a year on the rate bill, that its unwieldy planning methods were embarrassingly exposed in the Greater London development plan, and that education in inner London lacks economies of scale.

The result, they say, is bureaucracy run riot, with

anomalies, such as the council debating support of London football teams—financial support—and having to rely on a centralized maintenance department to men council building radiators in an outlying borough.

The abolitionists' election tactics, issued from Individual House, Eastbourne, are suitably idiosyncratic: "There is no need to go through the ritual dances of the professional parties with canvassing, etc. The important thing is not to bother people; they are quite intelligent enough to make up their own minds."

The response of London ratepayers, who are being urged to reserve their traditional party vote for a general election, has apparently been favourable. But, win or lose on May 5, the GLC Abolitionists' bid for power will be short-lived. In the utopian eventuality of their winning control, they will disappear and take the GLC with them.

London Liberals ready to negotiate after election

By Christopher Warman
Local Government Correspondent

The London Liberal Party is prepared to follow its Westminster counterpart and negotiate with either Labour or the Conservatives if the Greater London Council election on May 5 provides no overall control by one party.

That possibility emerged yesterday when the party launched its manifesto for the GLC election at County Hall. Mrs Ruth Shaw, party leader, one of the two Liberal members of the present council, and her colleagues were greeted at County Hall by Mr David Steel, the Liberal Party leader.

Their belief is that there will not be an overall majority and that they might then hold the balance of power. Mrs Shaw emphasised that they had not entered into any pacts with other parties.

"We have been very careful to preserve our independence. We have our own programme for London and that is what we want to see implemented. But we would be prepared to talk to the other parties and the result would depend on what approaches were made."

First, however, the Liberals have to hold the two seats they won in 1973, the first gained on the GLC by the party, and to win others. Their manifesto, "Switch over to the London Liberal Programme", aims at

doing that by convincing the electorate of the need to cut out waste in money and resources at the GLC, make it a strategic regional authority, and over the boroughs, and to bring the government of London closer to the people.

London is in limbo, they say with people moving out in droves. To maintain the present population level the priorities should be an immediate end to mass-municipalization, encouragement for town and village communities to flourish again, emphasis on keeping industry in London, and approval for dockland development.

Their attack on homelessness includes the establishment of a London-wide letting agency, leasing from private landlords on a fixed short-term basis, and then letting to those in greatest need, which compares with Labour's proposal for a municipal estate agency handling private as well as council housing needs.

Copying the Liberal experiment in Liverpool, they would lease empty building land. They maintain that at least 10,000 council-owned acres of land is available for house building financed by local budgets.

On transport the Liberals propose a low fare system. They would also allow free travel before 7.30 am to spread the peak load and would coordinate bus, Tube and rail services.

Corruption case man to be candidate

A former dustman who was dismissed last June after being fined on corruption charges at the Central Criminal Court has been chosen by Kensington Labour Party as its prospective candidate in the Greater London Council elections next month.

Mr Anthony Sweeney, aged 45, who led a five-week strike by dustmen in Kensington and Chelsea, replaces Alderman Paddy O'Connor, chairman of the GLC's single-homes sub-committee, who was dropped after the showing of a television documentary, *Goodbye, Longfellow Road*.

Mr O'Connor, aged 60, failed to give an assurance that financial aid to a housing association referred to in the documentary would be stopped.

Probation for theft

Mr Jack Wood, former secretary of Lancashire County Cricket Club, of Stafford Road, Eccles, who had admitted the theft of £850 while employed by Swinton social service department, was put on probation for two years at Manchester Crown Court yesterday.

Tower engines unsold

No firm offers had been received yesterday for the closing date for tenders, for two 1894 Tower Bridge engines which the Corporation of London is trying to sell for about £100,000.

Man set up raids on his post office

From Our Correspondent
St Albans

James Gammage, a sub-postmaster at Hemel Hempstead, Hertfordshire, set up raids on his own post office, it was alleged at St Albans Crown Court, Hertfordshire, yesterday. In one of them, involving £12,000, the police found the safe empty and Mr Gammage bound and gagged, it was stated.

In another raid, the prosecution said, after realising his own money, Mr Gammage locked himself in the lavatory, broke out and telephoned to the police. An accomplice was caught after one of the raids with the money in his possession. Mr Gammage had been acclaimed a hero for his action.

Mr Gammage, aged 29, of Heston, Hemel Hempstead, Gordon Road, Northwood, and Vincent Klein, aged 30, of Wingfield Way, South Ruislip, Greater London, pleaded guilty to the theft of £9,000 in cash and £3,000 in postal orders. Mr Gammage also pleaded guilty to three charges of false accounting and the theft of £5,772 from the post office. Mr Lawton also admitted possessing an imitation firearm.

Mr Peter Hunt, for the defence of Mr Gammage, said the offences arose because he got into financial difficulties. Mr Gammage was jailed for three years, and Mr Klein and Mr Lawton were jailed for one year each.

Police chief wins damages from newspaper

Mr Ronald Gregory, Chief Constable of West Yorkshire, received an apology and damages in the High Court yesterday over a newspaper article that suggested that the Home Secretary had been asked to reprimand him.

Mr Gregory had sued *The Observer*, Mr Donald Treford, its editor, and Mr Michael Nally, a reporter. The damages they agreed to pay were not disclosed, but were said to be a four-figure sum.

Mr Michael Eady, for Mr Gregory, told Mr Justice Melford Stevenson that the article, published on May 9 last year, was about National Front activities in Bradford. It referred to clashes between the police and anti-fascist groups at a rally held in April.

Treasure find award

Three workmen who unearthed 52 silver coins from the second and third centuries while laying a gas main in Kettering, Northants, have been awarded £534 each after a coroner's inquest had declared the coins treasure trove.

Accusations about colour prejudice in the theatre

Dame Peggy Ashcroft yesterday spoke in support of an allegation of colour prejudice in the theatre.

The accusation, against art foundations, against managers and bookers, was made by four black emmentiers. Their group, Radical Alliance of Poets and Players, received a minority rights group award at the National Theatre in London.

Dame Peggy, who presented the £250 prize, said: "The claim does not surprise, but it distresses me. I am sure there is truth in what they say, but I think they have also a built-in

Ulster homosexuality reform aim

From Christopher Walker
Belfast

The Government will come under pressure later this month to introduce sweeping social reforms to bring Northern Ireland's laws on homosexuality and divorce into line with those in the rest of the United Kingdom.

I understand that two confidential reports on possible changes will be presented to Mr Mason, the Secretary of State, in the next few weeks. Both have been prepared in the past six months by an influential government-sponsored body, the Standing Advisory Commission on Human Rights, and will outline the form the new laws might take.

The commission's reports were initially requested by the Government last July, after it became clear that Ulster was going to be ruled directly from Westminster for some time. It is now believed that its recommendations

will be acted on, in spite of objections from religious groups.

Although much is made by Ulster 'loyalists' of their links with Britain, it is not widely recognized outside Northern Ireland that homosexual acts between consenting adults in the province still carry a maximum penalty of life imprisonment. Similar penalties in Britain were abolished 10 years ago.

The operation of the law has become increasingly controversial in recent years, and last month 22 charges against homosexuals were dropped. A case of regional discrimination against the British Government is being pursued at the European Commission on Human Rights.

The commission's report is likely to recommend to Mr Mason that the 1967 Act that legalized homosexuality in the rest of Britain should be made to apply in Ulster.

On divorce, none of the far-reaching reforms introduced in Britain in 1971 applies to Northern Ireland. That means that a matrimonial offence of cruelty, adultery or desertion still has to be proved before a marriage can be dissolved.

Lord Dunleath has put forward a private member's Bill in the House of Lords to eliminate the anomalies and bring the law into line with the rest of the United Kingdom. Now that it has passed its second reading it stands virtually no chance of reaching the statute book without government support.

If Mr Mason accepts the standing commission's recommendations that some changes should be made, one alternative open would be to adopt Lord Dunleath's Divorce Reform (Northern Ireland) Bill. A final decision will be taken after both confidential reports have been formally presented.

Farm price deadlock upsets NFU

By Our Agricultural Correspondent

Farmers' leaders told the Government yesterday that they were disappointed that it had blocked agreement about agricultural support prices for the EEC. Sir Henry Plumb, president of the National Farmers' Union, called for "common sense while it is still not too late to avert disaster".

He led a group from his union, the Ulster Farmers' Union, and the National Farmers' Union of Scotland to Mr Silkin, Minister of Agriculture, Fisheries and Food. Mr Silkin has blocked agreement in Brussels about farm-support prices and there will be no decision until the end of April.

Eurovision Song Contest to be held next month

By Kenneth Goshing

The Eurovision Song Contest is to go ahead five weeks later than planned as a result of an agreement calling off the dispute over regarding BBC television outside broadcast cameramen.

It will take place at Wembley on May 7. The BBC had been unable to guarantee transmission tomorrow, the advertised date, because of the dispute involving members of the Association of Broadcasting and Allied Staffs.

Angela Rippon, the news reader, will co-present the 15-hour contest, which will be transmitted live to 50 million people throughout Europe.

The cameramen's dispute, which is over £3 a week, will go to a tribunal of an independent chairman and a representative from each of the two sides. The union has agreed to take no further "highway" strike action.

Both sides will consider the advice given by the tribunal, the BBC said yesterday, and may amend it by mutual consent within a month. Otherwise they will agree to the tribunal's advice being implemented.

Business Diary page 21

Crown Agent man for trial

Bernard Wheatley, aged 47, the former money market manager to the Crown Agents, of Aston Clinton Road, Aylesbury, Buckinghamshire, was committed to a bail of £15,000 for trial at Central Criminal Court yesterday, on four corruption charges involving more than £1.5m.

Mother loses action to get back son

A mother's attempt to win back her son, aged 12, from the family friend who had raised and eventually adopted him was blocked by Mr Justice Lacey in the Family Division of the High Court yesterday.

The boy's Irish parents had consented to his adoption by the benefactor who, five years earlier, had brought him to England and became both father and tutor to him. Then the natural father, a drunken, aggressive man, died and his widow came to England to become the adopter's housekeeper, the judge said. Their relationship soured and she went to live in Switzerland.

She had now issued a wardship summons seeking care and control of the boy.

The mother's summons was dismissed.

Four years for attackers of old woman

Two unemployed men who took part in an attack on an elderly, partially sighted woman who lived alone were both sentenced by Judge Geraint Rees at the Central Criminal Court yesterday to four years' imprisonment.

John Anthony Tracey, aged 20, and Edmund Joseph Flanagan, aged 19, both of Frampton Street, Paddington, London, were found guilty of robbing Miss Rose Woods, aged 70, of money from her meters and a transistor radio at her flat in Hanton Street, Paddington, last April. Jacqueline Salmon, aged 19, of Hall Place, Paddington, was also found guilty of the robbery. She was remanded in custody for social inquiry reports.

Students vote to uphold ban on 'fascist' speakers

From Judith Judd, of The Times Higher Education Supplement, Blackpool

The National Union of Students voted yesterday to uphold its policy of stopping "fascists and racists" from speaking at colleges.

Its conference in Blackpool rejected by 182,330 votes to 154,033 advice from the executive to change a policy of denying a platform to "fascists", which has been held by the union since June, 1974.

The executive argued that the policy of "no platform" had made it harder to mobilize students against racism and fascism. It said the conference should adopt a policy of "no invitation", urging students not to invite fascist speakers but to refrain from disrupting meetings that might take place.

The present policy stops short of violence but supports physical prevention of meetings addressed by such speakers by pickets or occupations.

Mr Charles Clarke, the president, said after the debate that keeping speakers out was not a priority in the union's fight against racism.

Mr Michael Forsyth, chairman of the Federation of Conservative Students, was sent at the body's annual conference in Swansea today, it says the 18-year-old age group will fall by almost a third between 1982 and 1995.

The nation's needs for more doctors, lawyers, architects, engineers and social workers, some of the most buoyant areas of demand in universities, may decline like that for teachers.

The report, by a group of 14 chaired by Mr M. L. Shattock, academic registrar of Warwick University, urges universities and polytechnics to think about the prospect now.

Falling birth rate 'may halt growth of universities'

Universities and polytechnics may risk being run down like colleges of education because of the declining birth rate, the Conference of University Administrators says.

In a report on predicting higher education numbers, presented at the body's annual conference in Swansea today, it says the 18-year-old age group will fall by almost a third between 1982 and 1995.

The nation's needs for more doctors, lawyers, architects, engineers and social workers, some of the most buoyant areas of demand in universities, may decline like that for teachers.

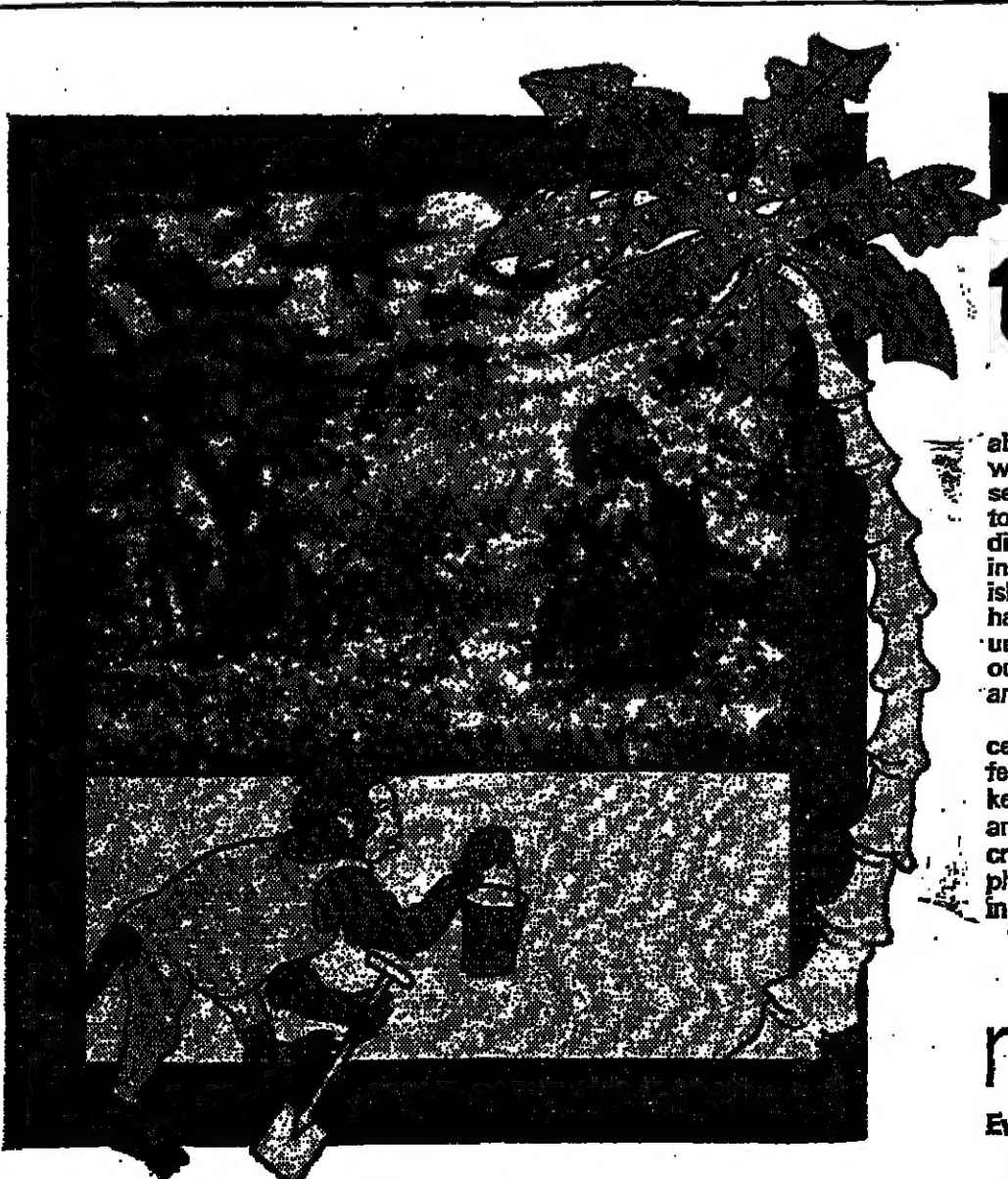
The report, by a group of 14 chaired by Mr M. L. Shattock, academic registrar of Warwick University, urges universities and polytechnics to think about the prospect now.

of the appropriate government departments and all parts of higher education to monitor statistics on demand for higher education.

Interim Report on Student Numbers by the Conference of University Administrators (from Mr M. G. Paulson-Ellis, secretary (academic administration), University of Strathclyde, George Street, Glasgow G1 1XW, 50p).

Into the 1980s

Frances Gibb reports on the effect of the falling birth rate on the universities in the 1980s. Heinz Lubasz discusses the influence of Aristotle on Marx; and John Dunn reviews Melvin Laszky's *Utopia and Revolution*, all in *The Times Higher Education Supplement* today.



Monkeys at the seaside

What can be more innocent than splashing about at the seaside? We humans call it fun. But what is it when monkeys do it? Do they have a sense of fun, too? Or is such behaviour designed to fulfil a more serious purpose? For a fascinating discussion of these questions read Carol Berman in this week's *New Scientist*. On the undisturbed island colony of Cayo Santiago, Puerto Rico, she has been paying close attention to the way uninhibited rhesus monkeys play in the sea. Like ourselves they fool about, paddle, splash, jump, and dive from handy trees.

New Scientist this week also celebrates the centenary of the Royal Institute of Chemistry; features a bold attack on the Third World marketing methods of a well-known drug company; analyses perceptual bias in science; describes a crucial "bench-top" experiment in particle physics; and recounts some strange goings on in Wales...

newscientist

Every Thursday 30p.



OVERSEAS

Japan orders trawler fleet to leave Soviet coast urgently

From Peter Hazellhurst
Tokyo, March 31

Japan today ordered hundreds of its fishing ships to move out of traditional trawling grounds and the Soviet Union by midnight tonight. An emergency radio warning was broadcast when negotiations on a new interim fishing agreement between Tokyo and Moscow broke down in deadlock over longstanding territorial disputes.

Government spokesman said that at least 123 of the 700 Japanese ships which normally operate off the Soviet Coast had been contacted. The current Soviet-Japanese interim agreement expires at midnight.

Japan does not have the jurisdiction over its coastal waters to warrant reciprocal measures against Russian ships, should Japanese trawlers be harassed. But the situation became tense today when Japanese patrol boats took the unusual step of following a Soviet merchant ship which sailed close to Japan's three mile territorial waters. The Russian ship was summoned by loudspeaker but failed to respond.

The issue blew up as a major controversy between Tokyo and Moscow this week, has already touched off a mood of anti-Soviet resentment here. Japan stands to lose 15 per cent of its total fish catch, traditionally acquired from waters recently incorporated in Russia's new 200-mile zone.

The talks on a new interim fishing agreement broke down earlier this week after the Soviet Union insisted that the declaration must carry valid political clauses, which would in effect prejudice Japan's claims to four northern islands, formerly Japanese, which were occupied by Soviet troops at the end of the Second World War.

The Soviet team of negotiators, who returned to Moscow today, also insisted that Russian fishing vessels must be allowed to operate within Japan's territorial waters after the Government extends its jurisdiction over coastal waters from a three to a 12-mile limit later this year.

Soviet delegates apparently warned officials in Tokyo this week that Japanese fishing vessels operating within the new 20-mile zone would be impounded unless a new interim agreement was concluded by midnight tonight. After two weeks of uncompromising negotiations, described as "bitter and difficult", the Soviet delegation, led by Mr Ivan Nikonorov, boycotted talks two days ago and returned to Moscow today.

As the issue threatened to impair relations between the two countries, Mr Fukuda, the Japanese Prime Minister, decided today to dispatch his chief Cabinet secretary, Mr Sunao Sonoda, to Moscow tomorrow for urgent talks with Soviet leaders.

Russian fishing vessels will continue to operate off Japan's coast but it is believed that if the Japanese Government will introduce reciprocal measures within the country extends its territorial waters to 12 miles and ratifies a proposed 200-mile fishing zone in Parliament during the next three months.

Congress goes on with hunt for assassins

From Patrick Brogan
Washington, March 31

The House of Representatives committee on assassinations is now trying to resume work, after the two-year reprieve it won from the House yesterday. It will have to find a new counsel to replace Mr Richard Sprague who resigned to save it from annihilation. It will have to get funds from the House and it will have to try to persuade people that it is not engaged in sensation-seeking foolishness.

This last endeavour is off to a shaky start. A Russian-born French teacher from Dallas, Texas, who met Lee Oswald (the man who shot President Kennedy), apparently committed suicide on Tuesday after learning that he was to appear before the committee. A member of the committee promptly announced that the man, Mr George de Mohrenschildt, might have been an agent of the Central Intelligence Agency and "may have been closer to Oswald than appeared."

Mr de Mohrenschildt, like everyone else who knew Oswald, was lengthily examined by the Warren Commission in 1964 and had been frequently interrogated by conspiracy theorists after that. He had a record of mental instability and apparently killed himself to avoid further persecution. At the time of the Kennedy murder (and for months before that) he was in Haiti.

The committee was set up at the inquiry of black congressmen last year chiefly to investigate the murder of Dr Martin Luther King. The lunacies of the Kennedy conspiracy theories, of whom there are a number on the committee, have cast a deep shadow over it.

Mr Sprague, a celebrated prosecutor from Philadelphia, was appointed counsel by the committee's first chairman—a congressman who retired at the end of last year after arranging for more than a dozen former employees to be hired by the committee.

As soon as the new Congress assembled on January 2, the committee began to collapse. Mr Henry Gonzalez, the new chairman, tried to dismiss Mr Sprague, but instead was himself obliged to resign.

Now Mr Gonzalez has had his revenge. In a slashing attack on Mr Sprague, delivered on the floor of the House on Monday, he succeeded in inflicting so much damage that Mr Sprague's position was finally destroyed.

Mr Gonzalez, who is of Mexican origin, accused the House of racial prejudice against him. He said: "I conclude solemnly and sadly that had my race been black, I was or O'Brien, Rosenthal, George Washington Carver or Martin Luther King, I would not have been treated this shabbily."

He gave the game away by describing the reality behind one of Mr Sprague's claims to have found secret evidence about President Kennedy's assassination. "No fundamental plan of any consequence has ever been breached, other than something quite ephemeral. For instance, they were talking about the evidence of an FBI agent who lives over the Canadian border, and he was going to be a big secret witness."

The witness, of course, had already appeared before the Church committee on the committee of the House (on intelligence matters), and so his testimony was actually repudiated.

The committee, under its new chairman, wants \$2,750,000 (\$1,500,000) to see it through its first year's operations.



Amy Carter, aged nine, the President's daughter, kicking a ball at the state elementary school she has attended since her family moved to Washington.

Vandals and addicts take over charred wastelands created by the flames

New York City ravaged by fire as urban disease of arson consolidates its hold

From Peter Strafford
New York, March 31

A losing battle is being fought in the Bronx, Brooklyn and other New York boroughs against one of the most recent urban diseases—arson. Over the past few years, long rows of buildings have been reduced to empty shells, or levelled altogether, in certain areas.

Any visitor to the south Bronx can see the empty hulks of buildings, with their windows still charred. Alongside them are empty stretches of waste ground filled with rubbish and an occasional abandoned car.

At one time, the phenomenon was limited to the southernmost part of the borough, across the Harlem river from Manhattan. But it has now spread farther and farther north, creating more waste areas with their populations of squatters, youth gangs and drug addicts.

When I visited a fire station in East 143rd Street recently, the firemen, almost all of them white, told me that none of them would want to live in the neighbourhood. Some of them had grown up there, but they now lived some distance away, in areas that were less run down.

It was usually easy, they said, to tell which fires had been started deliberately because of such signs as petrol marks. They never saw the arsonists. What usually happens is that a fire is started in one flat, perhaps a vacant one, or an otherwise occupied one. Then there is another, and another, and before long most of the tenants decide to move out, the landlord stops taking any interest, and the whole building becomes prey to local vandals.

Most of the inhabitants of the south Bronx are blacks and Puerto Ricans, and there are a lot of hard-working and honest people among them. Around East 143rd Street, for instance, there are several new housing developments. But all too often, they are helpless victims of the progressive decay of the area, and the increase in crime and vandalism.

At the headquarters of the New York fire department, Mr John Barracato, the chief of the department, says that there are three main types of arsonist: those who do it to extract some sort of revenge; those who have an economic motive; and those who start fires "for fun," usually youth gangs, or people with pathological motives.

Revenge, Mr Barracato said, had accounted for about 60 per cent of the arson cases which his department had investigated in 1976. Sometimes, it was a gang which wanted to attack another gang's headquarters. Other times, it was a husband or wife who started a fire in their flat after a violent argument.

There had been a case of teenagers setting fire to a club after being refused admission, and another of a man who had done the same because his girl friend had gone to a dance with someone else.

But arson for economic motives was catching up. Mr Barracato said.

This sort of arsonist could be a landlord who felt that he was no longer making enough money because of rent controls, and wanted the insurance money. It could be an unemployed person who would be given money to move if his home was burnt. It could be a shopkeeper whose stock was obsolete or too large, or an addict who wanted to steal the plumbing and fixtures after a building had been destroyed.

It was very difficult to catch arsonists, Mr Barracato said, as they worked quietly in the middle of the night. In 1976, for instance, his department had investigated 6,779 arson cases and had made only 357 arrests.

Yet, in many ways, the Bronx, for all its bad reputation, was not the worst part of New York for fires. Mr Barracato said. Overall, Brooklyn had more cases of arson.

Television to record President's workday

From Our Own Correspondence
Washington, March 31

President Carter is to allow television cameras into the White House during the week of April 4 to produce a one-hour programme entitled *A Day in the Life of the President*.

The proposal for the programme, from the National Broadcasting Company (NBC), was snapped up by the eager White House.

"It seemed ideal for purposes of bringing the President closer to the people," Mr Barry Jagoda, the President's special assistant for media and public affairs, said. "There isn't any other way we can open the White House to millions of people to let them see what the President does all day and what an incredibly busy schedule he keeps."

The White House has recently disclosed that Mr Carter is not practising what he preaches in admonishing his staff to get home in time to spend a while with their families. His average working week so far has been 71 hours.

Mr Carter, who promised during his election campaign to stay in touch with the ordinary people, is exerting himself to find as many ways as possible of doing so.

His radio "phone-in" was widely acclaimed, as was his rather syrupy performance at the Clinton town meeting.

It is not clear how natural and unartificial a day in his life can be made to seem. The last time something similar was tried was at the President's banquet for the Queen last summer and it was a television disaster.

The Nixon's also has the cameras in once to show the family Christmas, and it turned out to be a memorable for a stiff, unconvincing performance from the President as he sat down on the floor as if he were doing it for the first time.

Usually this kind of thing has been done in written format. Mr John Hersey, the author, did a notably incisive piece on Mr Ford in office and journalists are still at it. Last week, when Mr William Rees-Mogg, the editor of *The Times*, met Mr Bert Lance, the powerful Director of the Office of Management and Budget, an American reporter sat in, taking notes for his report on Mr Lance's busy day.

Ethiopians post a long list of wanted men

Addis Ababa, March 31—A

list of men and women wanted for being opposed to the Ethiopian military leadership appeared here for the first time bearing their photographs and names. The list, which includes some 755 names, includes Mr Dagnachew Yrgu, a former Minister of Agriculture, who abandoned his post and disappeared two years ago. It also includes paramilitary, students, teachers, factory workers and airline, bank and insurance staff who were reported missing from their jobs.

The list was posted in main government offices throughout Addis Ababa today.

A notice accompanying it said that those listed were engaged in counter-revolutionary activities and were to be hunted down with the help of the population. They were to be turned over to the police, farmers' association or kebele (sub-district) defence squads.

Those on the list who have enrolled in schools or churches and jobs have been told to notify the Military Council immediately.

It is believed that many are roaming the countryside and their photographs are being distributed. It is said that there have been labour leaders who went underground fearing government repression in connection with planned but unannounced strikes last September which fizzled out.

The authorities have arrested and expelled two black Americans accused of spying for the Central Intelligence Agency, the English-language newspaper *The Ethiopian Herald* reported. Mr Richard Hammond and Mr Carl Edwin Hamilton were

caught in the north western province of Begemdir on March 23 while engaged in espionage on behalf of the London-based rightist Ethiopian Democratic Union, according to the report.

The union has widespread support in Begemdir, bordering on Sudan. There have been frequent clashes there between union and government forces in the past few months.

The newspaper alleged that the two men had admitted working for the CIA. They had airline tickets in readiness for leaving the country in a hurry as well as credit cards, all provided by the CIA.

An American Embassy spokesman in Addis Ababa denied that the two were employed by it and would not comment further.

A house-to-house search for firearms launched in Addis Ababa a week ago has unearthed at least 1,600 weapons including sub-machine guns, rifles and pistols, press reports said today.

The weapons, together with an unspecified amount of ammunition, were turned over to the military authorities within the past two days. The search still goes on but with less intensity.

Eight people, including an alleged leader of the underground Ethiopian People's Revolutionary Party, Mr Tesfaye Debassal, have so far been killed while resisting the search.

A number of people are believed to have been arrested. The Government said yesterday that it had set up two committees to investigate complaints "concerning persons arrested unfairly" and "properties unfairly taken away" by search teams.—Agence France-Press.

which would involve the country's two million primary school teachers and also secondary school pupils in a mass literacy drive.

He promised teachers salary increments but also appealed to every educated Indian to take upon himself the duty of imparting fundamental education to his backward brothers and sisters.

One of the difficulties revealed by UNESCO's world literacy programme since years back was that school teachers in developing countries tend to be neither professionally nor psychologically equipped to teach adult illiterates.

Dr Chunder said he was personally studying the Chinese tackled illiteracy for some of that country's problems were analogous to India's, but he would welcome "suggestions and guidance" from anyone interested.

thousands of people who in their bid to survive either have to cross the border, escape from small farming villages, or try to secure freedom and the enjoyment of human rights, are all locked up by the communists in prisons or labour reform camps, with the result that their lot becomes even more painful.

"Mr Carter, we realize that in order to gain our human rights, it is necessary to exercise more struggle and effort. And we must also have more spiritual and moral support. Most of all from the American people who have a 200-year history of supporting human rights."

Copies of the letter have been distributed to Western and Asian diplomatic and intelligence representatives here. They agree that it is probably genuine.

Chinese city hit by tremor is still in ruins

Peking, March 31.—The city of Tangshan, the centre of last year's earthquake in northern China, is little more than an enormous pile of rubble, foreign travellers reported today.

They were the first foreigners to visit the disaster area since the earthquake last July which killed more than 700,000 people and left 800,000 injured.

The travellers said that the only new construction apparent was at the railway station. In places debris was three stories high. Rubble of white-washed shelters had been put up in the suburbs for workers.

The scene was "like the worst pictures of wartime bomb damage", one eyewitness said. At first glance, he could not distinguish buildings from debris but after a while wrecks that were once tenement blocks or factories could be identified.—Reuters.

India plans mass campaign to wipe out illiteracy

From Richard Wigg
Delhi, March 31

India is to make a fresh attack on illiteracy, Dr Pratap Chandra Chunder, Minister of Education in the new Janata Government, has told his officials.

A team of experts, he said, had been set to work out the details of a "people's literacy drive" which he promised would be among the Government's priorities.

Dr Chunder, a professional educationalist, said he felt that the emphasis put on higher education in India was responsible for only one-third of the population being literate.

While attention to higher education was "a good thing, we cannot neglect the great masses of our people who have not got the benefit of education," he said.

Dr Chunder called for a Mahatma Gandhi-like movement

Shanghai appeal to Mr Carter

From Richard Hughes
Hong Kong, March 31

In what is accepted here as the first approach by a resident Chinese dissident to a Western leader, a self-described Shanghai intellectual has sent, by way of Hong Kong, a signed letter to President Carter to protest against "violation of human rights" in China.

The Hong Kong *Far Eastern Economic Review* carries in full a copy of the letter which was apparently sent from Shanghai on March 14, a week after Mr Carter's White House meeting with Mr Vladimir Bukovsky, the Soviet dissident, was approvingly reported in the Chinese press.

The writer of the letter describes China as an "enslaved society" and implores the President "not to forget the suffering of the 800 million people on the Chinese mainland."

and to support us with the same commitment you gave the Soviet human rights leader."

The writer identifies more than 20 prisons and detention centres in Shanghai and complains bitterly about the sending of young intellectuals to the countryside to work.

"Why must we go to prison," he asks. "Why must we undergo labour reform? Why must we lead such miserable existences, not even on a par with those of dogs or pigs? ... We cannot see what we have learnt. Our whole lives will be spent in faraway border regions which in effect are labour reform camps. ... The people on the mainland have lost all their human rights, shivering in fear, night and day."

It goes on: "The Chinese mainland today is a hell on earth. The thousands and

Le Monde

looks at the

UNITED KINGDOM

Fifty million Frenchmen can be wrong

Yes, hopelessly wrong about Britain. And can you blame them? Just consider the clichés they have lived with. Milord. Jeeves. Eton's playing fields. Le five o'clock. Sir in high society.

If they are not any of these old standbys, then they are others, but chestnuts all the same. Industrial action. Tea breaks. Work to rule. We know there's a lot more to Britain than this. But do the French? This is the year of the Queen's Silver Jubilee when all Europe's eyes are on Britain. A unique opportunity for British businessmen to set the record straight. With its long industrial and commercial experience, the United Kingdom has a valuable role to play in the construction of Europe.

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By Rex Bellamy
Tennis Correspondent
The Indians were coming. Their
best tennis player, Vijay Amritraj,
knew that long before he turned
their court spectators for his

seventh attempt to beat Ken Rosewall, who played Wimbledon 13 months before Amritraj was born. "It was unbelievable because they would know I had lost to Rosewall six times. Everyone told me it would be seventh time lucky." It was, too. Amritraj won 6-2, 6-2, in only 45 minutes and promptly punched the air with both fists to tell us how he felt about it.

For me, this is my finest win. The first time is the toughest. Every match has been close and in four occasions I had match points. But beating Rosewall has been an even tougher obstacle than Connors or Nastase or Borg. You think you've got him (he has his left hand on his hip and he's missing his backhand). Then, one break—and he's back. When I lost my nerve at 2-1 in the second set I thought it was going to happen again."



Except for that one break, Ammirata was never taken to deuce on his own service. A graceful lefty, he played beautifully, living for the lines with a boldness and accuracy that kept Rosewell and Ammirata's opponents (Ammirata) was particularly pleased with his second service and his first. Rosewell looked more than a little nervous. He knew that his best he could only faintly suggest the form of form that, at the time, was the best in the world. He was a superb place in the World Championship Tennis points table. Rosewell would need to find some way to keep the clay courts of Houston and Charlotte if he is in equality for the eight-man climax of the circuit from May 10-15 at the time where the first play-off series in 1971 and 1972. Last evening his services and returned to the usual Rosewell game. So was his footwork. His game was strewn with errors and in both sets the confidence drained out of Ammirata took his first set with 10-14 consecutive points. From 2-1 in the second, Rosewell scored only one point. Ammirata would give him none.



Ken Rosewall . . . kept under relentless pressure.

Windwards pointer to Pakistan's chances

Port of Spain, Trinidad, March 23.—Pakistan and West Indies take the field here tomorrow for the fourth Test widely expected to be the decider in their five-match series, which may also be the last. West Indies thrashed Pakistan by six wickets on the same unpredictable pitch at the picturesque Queens Park Oval to go one-up in the series. One can only hope that the next five days can keep alive Pakistan's hopes of winning the series.

Pakistan's morale has been boosted by the brilliant batting display they gave in Guyana two weeks ago to save the third Test after being skittled out in their first innings. They were back on a perfectly placid batting wicket. Since then, the fragility of their batting has been confirmed as the wicketers of the West Indies, the Caribbean, the Windward Islands, on another unpredictable pitch in Jamaica, have dismissed them for less than 170 in that match and won only because their bowlers were able to run through the Windwards batting for even less.

Pakistan played four of their Test probabilities in the Windward Islands, where they thrashed the Miandads, Haroon Rashid and Wasim Raja—but none impressed despite the weakness of the Islands' attack. This gave little hope that Pakistan will stand up better than in the second Test here to West Indies' formidable attack of Roberts, Croft and Garner.

Between them, the three first-class bowlers have taken 52 of the 60 Pakistan wickets in the three Tests so far. Despite an enormous second-innings total of 340 in Guyana, the Pakistan batsmen still do not know how to bat in Test cricket. They play them, and all too often are out to a careless stroke.

Pakistan none the less believe that they can win the series, but they are not as confident as they are equally confident of victory. "I believe that when you look at the batting all the way down the order we have, we are probably stronger than we seem," he said after the third Test.

WEST INDIES: R. C. Fredericks, C. Greenidge, I. V. A. Richards, A. J. Kalicharan, I. D. Gomes, L. D. Richards, J. Garner, A. M. E. Roberts, J. Garner, C. Croft, Inshan Ali.

PAKISTAN (front): Majid Khan, Sadiq Mohammad, Zaheer Abbas, Haroon Rashid, Mushtaq Mohammad, Imran Khan, Sarfaraz Nawaz, Iqbal Qasim, Javed Miandad, Munis Khan, and Wasim Raja.

Canada seek action on those who withdraw

Abidjan, March 31.—A proposal was made today to the joint conference of the International Olympic Committee (IOC) and National Olympic Committees (NOCs) here that countries entering Olympic Games and then pulling out should be penalized.

According to conference rules, the proposal was referred to the NOCs for further study.

The proposal, put up by Canada, recommended that countries withdrawing from the Games should be barred from the next Games and be required to refund certain expenses incurred by the host country.

The proposal was met with criticism that it laid emphasis on withdrawal from the Games for political reasons.

Some delegates asked for more time to study the proposal, the sources said.

Mr. Abraham Dura, Nigerian member of the Supreme Council for Sport in Africa (SCSA), spoke on the proposal and said that the African countries' boycott of the Games was based on humanitarian and moral grounds, and not on political considerations.

He said the boycott was not a

Brabham team hope for Californian win

Against a backdrop of high rises, main road shops, the restrictions of the Long Beach community and, a few yards offshore, the former Cuernard, Queen Mary, the fourth round of the 1977 world championship race series will get underway this weekend in California as the United States Grand Prix West.

Last year's race, stage managed by the British expatriate businessman, Peter Brabham, an ambitious experiment conducted against severe financial odds. It proved to be a costly exercise, but such was the success of the concept of a grand prix running through the streets of a United States city that sufficient sponsorship has been secured to ensure the viability of a repeat race.

Although referred to by a number of people as a Monaco grand prix, the New York City Grand Prix Beach race is in fact, unique in character, and for drivers and race engineers alike it provides a formidable challenge. The narrow, tight hairpins, a preponderance of second gear corners and short straight and a long, looping finish curve mean the cars will reach 170 mph call for carefully chosen compromises in setting up cars. It is also a circuit which

now driving for the British Ensign-Ford team, led throughout both practice and the race with his team partner, Nicki Lauda, guardedly optimistic. The 1977 1.8 litre 11 cylinder engine will again prove decisive when practice begins today on the two-mile circuit, and the Brabham team, too, with their leading driver, Niki Lauda, in the wider Alfa Romeo engine, are hoping for their first grand prix success in the Californian sunshine.

But with 97 grand prix successes already in the record book the Ford Cosworth DFV engine has been the mainstay of McLaren team of Hunt and Mass, the John Player Lotus pair of Andrea and Nilsson, the six-cylinder Tyrrell team of Peterson and Depallier and the South African's Jody Scheckter, the lone driver of the new Alfa Romeo. It is likely to be lead of the 1977 world championship, are all capable of securing a victory.

Current positions in the championship show Jody Scheckter in the lead with 15 points followed by the Ferrari driver, Niki Lauda, with 13 and James Hunt with 9. Ferrari lead the constructors' table with 24 points, followed by Tyrrell with 19 and McLaren

Le Mans interest widening

Lloyd's underwriters in London are ignoring one of several privately-constituted British racing entries which are to challenge the heavily-fancied European works teams at Le Mans this year (two John Blunck cars, a Ian Bruce, an insurance broker, and Tony Charnell, managing director of a Ford main dealership in London).

At the 1956 24-hour year's world sports car championship races in a Chevrolet R31, powered by a two-litre Hart engine, they will be joined for the important 24-hour race in June by John Hine, one of Britain's most experienced sports car drivers.

Although United Kingdom participation in the French endurance race has declined considerably since the purchase of the team in the 1950s, a number of British participants, including Alain de Cadenet and Guy Edwards (Lolas) and Robin Hamilton (Aston Martin) maintain a close presence in the competition at the time, hopefully not too far distant, when the Le Mans race will revert to its original concept of being an endurance event for what are essentially production cars.

Conteh defence opens Monaco double bill

Monaco, March 30.—Britain's world light-heavyweight champion, John Contee, will defend his title against Miguel Cotto of Argentina in this Mediterranean principality on May 21, the day before the Monaco Grand Prix.

Announcing the bout the Mayor of Monaco, Jean-Louis Medecin, said that a return world middleweight title fight between Carlos Monzon, of Argentina, and Rodrigo Valdes, of Colombia, would probably also be staged here, in July.

In Rome it was announced that the European light-middleweight champion, Maurice Hope, is to defend his crown against Frank Wissenbach, of West Germany, in Hamburg on May 7. Hope recently boxed a draw in a title bout against the world champion, Eckhard Dage, of West Germany, in Berlin.

Agence France-Presse.

GENEVA: 1. D. Broome, 1,400 pts; 2. M. Daoui, Zerra, 1,010 pts; 3. H. Snork, Astens, 815 pts; 4. M. Saeed, 4, 740 pts; 5. H. Smith, Volvo, 690 pts; 6. C. Bradley, Lemo, 650 pts; 7. D. Broome, Sullivanwell, 640 pts; 8. M. Daoui, Esport, 590 pts; 9. G. Mac, 540 pts; 10. A. Kuchta, Lado, 530 pts; 11. U. Noll, Scotch, 520 pts.

FILED DIVISION: Leeds 21, Warrington 12.
Ingleton Town 12.

Chinese keep rest of the world guessing

One topic alone was uppermost in the minds of the players at the time of the match. "I don't know if it's a 'rumor' yesterday as they have it 'till now, before the start of the match," said a Chinese player. "China, having only 10 players, has the men's and women's team sides on Wednesday, how go on to win the match?" "Why not?" they seem if appropriate to assert their undoubted superiority?

These questions to some people may seem a little out of place in sport, like every other human activity, has seen its quota of "rumors" and "rumor-mongers" when, to use the fashionable phrase, China put friendship with the United States ahead of competitive success.

It is a delicate area in which comment and a factor which has been a major factor in the Chinese major championships thus on the "major" goodwill tours China

tioned and still remains a talking point among the European players. The prospects for the next five days.

The Chinese players, and especially the women's, hardly showed any signs of being over-awed by the fact they are so much better than the Europeans. They are all one else at Birmingham, that it is probably more fruitful to wonder why they are so good. On form, and according to China's own rankings, it should be Kuo Hsueh-ling, who has been the favorite, though these things do not always work out as they should. But even among the Chinese themselves.

Certainly it seems unlikely that the holder, Isvan Joyner (Hungary), will be able to retain his title as he did in Calcutta two years ago. Stefan Bengtsson, of Sweden, is the favorite, and is commonly nominated among the non-Asian players themselves as likely to progress the furthest.

North American champion, John Van Duyn, the defending champion in the

underlies. But it has to be mentioned that still remains a striking point among the European players when they discuss prospects for the Chinese days.

The Chinese players, and especially the men, have already shown they are so much better than they are credited at, although that is not probably the case with the women, of whom we actually win.

On form, and according to China's record, the Chinese players, especially Yao-Fu for the men's singles, still, though these things do not always work out as they should, are the best among the Chinese themselves.

Certainly it seems unlikely that the Chinese players (Hun-Hungary), will come through as good as he did in Calcutta two years ago. Sunlan Bengtson, of Sweden, is a very good man, but is not commonly dominated among the non-Asian players themselves as he is to prove the furthest.

North Korea's Park Sun, the defending champion in Sun-

women's singles, like Janov, is not generally expected to win the title. Janov, a 25-year-old Czech, Chinese, and unexpectedly beaten in the last world singles final, is a 100 percent favorite. Janov is an optimist of optimists, there are nine or 10 other Asians at least before a prudent forecasters can eliminate a contender from Europe.

Today the championship program is occupied by three rounds of qualifying, and a slight misomer as they contract everybody taking part in the world's leading tennis and tennis who are excused the preliminary stages. So it is tomorrow before the major acts return to the stage.

As far as the leading four English players are concerned, there is no doubt, another 24 hours before the demands of the Davis team in the men's singles and Jill Hammerley and Carol Kricheldorf in the women's, start their challenge.

London win title for the first time

The British Universities Ice Hockey Federation hockey trophy found a new resting place yesterday. It had for several years been the monopoly of Universities Athletic Union of Great Britain, the first of the governing body by London winners of the title for the first time.

London's success, the outcome of a prearranged, was a surprise because they had lost 0-3 to UAU in the previous year's final.

A victory over Oxford in the semi-final round raised their hopes and to yesterday's final they raised none after being a goal down.

The match played in cold and wet weather was even for most of the first half with Green and Grey hockey finding the centre against the defence. The defence was not weak. Invariably led by Dunkerley. The score sheet remained

black until a minute before half-time when Waugh scored for UAU from a short corner. But a little earlier, UAU had lost Dunlop who had to retreat for urgent mental treatment. Jeethu took his place but UAU's rhythm was obviously

Two minutes after the interval Harrison equalised for London and the battle was on. UAU came back to the fore when they scored a post but 12 minutes before half-time and Friday obtained the match-winner for London who passed the ball to Harrison and fairly to the stroke, Farr saving well from Edmonds. Towards the end UAU came close to saving the game.

Cambridge beat Oxford 1-0 to complete a three-match rubber, Cambridge having won 2-1 at the first meeting and 2-1 in the pool match at Durham.

[illegible]

Not bad going for their first outing

The British Universities women's team was selected only last Wednesday, played their first match yesterday in Ulster and were beaten by the Ulster-23 side. This was a rather in Ulster's cap, for they were without their four international players as Ireland are spring an international match tomorrow. So, like the Universities, they had not played together before.

Although the Universities scored first with a good shot from the edge of the circle by June Garvin, was Ulster who had most of

the game before the interval and they led 2-1 at half time. The Universities had the ball in the net a second time, but the goal was disallowed as the player was offside.

In the second half the Universities were on the attack most of the time, but were unable to finish in the circle except for Julie's squaring goal scored by Julie in the 65th minute. The Universities made two more only slightly militant raids, but that was sufficient for they scored their third and winning goal.

For Scotland, the Universities' captain, Jim, did very well, and led her team well. The two players chosen for the right wing for the

Universities played half a match each, but, try as the team did, they could not get the ball in the net again. Ulster, though they tended to overhit, demonstrated the value of a good open game and the reserves were called in at one time they played the Universities they lost in Liverpool.

BRITISH UNIVERSITIES: G. Wason (N. Ireland), J. O'Hara (Ireland), Scotland, Scotland captain, M. Good (Scotland), E. O'Brien (Lanc.), S. G. Jones (Wales), McMillone (N. Ireland), C. Fenwick (Yorkshire), R. D. Brown (Leeds), Parkin (England), Dawson (England).

ULSTER UNDER-23: A. Whitlock, J. Lewis, S. Youngs, J. McCormick, S. Morris, A. Young, N. Alexander, J. L. Bradley.

Rackets
Marlborough
come back from
being down

Our Rackets Correspondent
Marlborough, the holders, came
back from being down 3-0 and
definitely poised in the fourth and
fifth games to beat Wellington
and reach the semi-final round
of the schools rackets champion-
ship at Queen's Club yesterday.
Marlborough and Worlidge beat Mal-
tby and Maltby by 10-15,
15-15, 15-17, 15-11, 15-10.
2, 15-6 and today meet
Marlborough. In the other semi-final
Marlborough play Malvern.

Latest European snow reports

	Depth (cm)	Piste	Conditions	Runs to resort	Weather (5 pm)	VE
Avoriaz	125 210	Good	Varied	Good	Cloud	-2
Courmayeur	230 380	Fair	Fair	Closed	Fine	0
Grindavold	100 140	Good	Powder	Closed	Fog	0
Isola 2,000	205 320	Good	Varied	Good	Sun	2
St. Moritz	110 230	Good	Powder	Good	Cloud	-2
Val d'Isère	100 240	Good	Varied	Good	Cloud	-2
Verbier	110 170	Good	Varied	Fair	Cloud	2
Wormat	35 120	Good	Soft	Fair	Cloud	1

In the above reports, supplied by representatives of the Ski Club of Great Britain, L refers to lower slopes and U to upper slopes. The following reports have been received from other sources:

[illegible]

Recovering from near defeat is becoming a habit with Marlborough. In last year's final they are down three games and 0-10 Malvern and Malvern.

SECOND ROUND: **Malvern** (P. J. "Richie" Richards) beat Marlborough (N. B. F. Hubbard and G. R. "Gus" Gahan) 15-10.
Carrier 15-10 **Malvern** (R. "Red" Reddy and A. G. P. Edith) beat Marlborough (A. Amion and J. C. "Mac" Macdonald) 15-6.
Marlborough (D. K. Watson and J. C. "Mac" Macdonald) beat **Wotton** (C. Mathison and W. J. "Bert" Bertie) 15-10.
Malvern (P. J. "Richie" Richards and R. W. Tinsell and D. G. "Dick" Dickson) beat **Radley** (A. G. "Gus" Gahan and J. C. "Mac" Macdonald) 15-7.

COLLEGE PLAYERS: **Malvern** (D. J. C. "Dick" Dickson and A. D. "Al" Alcock) beat **Paul and A. D. "Al" Alcock** (H. "Harry" Harris and P. "Pat" Paterson) 15-7.

A high-contrast, black and white photograph showing the interior of a vehicle, likely a truck or bus, with several rows of seats visible. The image is heavily stylized, with the seats appearing as bright white outlines against a dark background.

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A chilling fear of collapse in Eastern Europe as Moscow's power dwindles

Eastern Europe seems to be heading into troubled times again after several years of relative peace and quiet. Opposition is emerging in new and more open forums and signs of being lumpy. How deep are the stresses, and how seriously should we take warnings that western support for human rights movements could provoke serious instability?

All the countries in the area are having to cope in varying degrees with disappointed hopes in both economics and politics. After the crushing of the Czechoslovak reforms of 1968 and the Polish strikes of 1970, most governments followed the Soviet lead in giving greater priority to consumer goods, housing, real wages, and trade openings to the West. They hoped that people would gradually lose interest in political change and concentrate on material betterment of their lives.

For a while things went fairly well. New five-year plans started in 1971. Money flowed into pockets, goods flooded (more slowly) into shops, and the high tide of détente seemed to promise political relaxation as well. Even the oil crisis brought short-term benefits to eastern Europe, for Soviet oil remained cheap, and consumer prices could be held stable while the West floundered into recession, thereby giving the propagandists a field day which they were not slow to exploit.

But the advantage was short-lived. From January, 1975, the Russians began pushing up the price of oil and raw materials on a rolling five-year average of world prices, so that even if eastern Europe were to continue buying the same amount of oil its bill would rise by about 85 per cent by 1978. Czechoslovakia, which had paid roughly the double equivalent of £115m for 10m tonnes of Soviet oil in 1971, found herself paying roughly the equivalent of £415m for 15m tonnes in 1975, and of course still more in 1976.

East Germany and Hungary have also been hard hit. Although the Russians now pay more for their industrial exports from eastern Europe, it is not enough to compensate. There has been a lot of back-stage argument about the price system, which could leave eastern Europe paying above the world level if commodity

prices drop. In addition, eastern Europe has had to invest heavily in Soviet raw materials exploitation and will now not get quite the benefits it expected.

To make matters worse for eastern Europe, western markets shrank while the price of western imports rose sharply, and since many of these are capital goods, the need for long-term projects, and needed for the rationalization which alone can make up for higher material costs, they cannot be quickly cut off. The result has been a painful shift in the terms of trade to the disadvantage of eastern Europe, which is called upon simultaneously to supply more to the Soviet Union to pay for raw materials, more to the west to pay for capital goods, and more to its own consumers to meet rising expectations with managerial and pricing systems deeply resistant to reform, and with the misfortune of some bad harvests.

One result was to run several Comecon countries deeply into debt with the West. Nobody has the true figures but total Comecon indebtedness to the West has probably risen from the equivalent of about £18,000m at the end of 1973 to about £25,000m at the end of 1976, with about a third accounted for by the Soviet Union, a third by Poland and a third by the rest. A great deal of effort must now be devoted to servicing and repaying these debts.

The stresses show in the more modest targets of the new five-year plans which started in 1976. On an average drawn from figures weighed according to the relative size of the economies, national income is planned to grow by 30 per cent over five years, compared with 36 per cent achieved in the previous five-year plan. Targets for the growth of real wages have accepted 18 per cent compared with 29 per cent in 1971-75, with Hungary aiming for only 14.16 per cent, Czechoslovakia 13.15, and Poland 16.18 (1971-75). Even these targets may well not be reached, especially taking into account inflation on the private markets for goods and services, to which people are driven by shortages. Results for 1976 are already below target in some countries, and the Hungarian

regime has admitted that the real income of some families decreased last year.

These problems do not create great hardships, nor difficulties necessarily any greater than those in the West, but they mingle with frustrated political expectations. Détente aroused a mixture of hopes among governments and peoples. Both wanted curbs on the arms race and openings to the West, but western governments wanted greater international legitimacy and carefully controlled exchanges, the people hoped for more individual freedoms. The people's hopes were raised by the Helsinki conference of 1975 and are now being expressed more vigorously in order to influence this year's conference in Belgrade, which will review the results of Helsinki. Further stimulation has come from President Carter's open espousal of human rights. Although nobody expects him to come riding into Eastern Europe on a white horse, still less on a tank, the moral support and publicity are important.

The basic problem touched by this issue is that two familiar props of the regimes are weakening—external threat and revolutionary necessity. The external threat was once embodied by West Germany, Nato, and during the cold war it carried some conviction as a reason for maintaining armed vigils and internal controls. Detente, no matter how interpreted, is bound to make it less convincing. The new ideological generation, but this is seen by many as a threat, and does nothing to mobilize national sentiment.

The imperatives of revolutionary transition also provided every excuse for almost everything from show trials to economic shortages and censorship, but new generations are growing up less impressed and less frightened. They want now what the system used to promise for the golden future. Governments must therefore win their support by results, not by doctrines or promises.

On top of all this comes the new face of west European communism. Support for its specific doctrines is confined to relatively few intellectuals in Prague, East Berlin, Moscow

and elsewhere, but the effect of the challenge goes deeper. When west European communists can come to East Berlin, as they did last June, and say openly that the Soviet Union is no longer any sort of model for them, and when they then have their speeches published in full in the East German party papers, the authority of Moscow can never look the same again in eastern Europe, where there are certainly people inside the ruling apparatus who pin quiet hopes on the Italian example and know they have no hope of legitimacy until they bring their systems closer to the traditions of central and western Europe.

Eastern Europe is thus entering a phase of new stresses between government and people and—especially in economic relations—between governments and the Soviet Union. The task of coping with them is made more difficult by the widening gap between leaders and led, and by uncertainty about the future leadership of the Soviet Union. Every country has its own problems. The task of the future is to bring the Soviet tanks will always come to the rescue of the systems in eastern Europe. But everyone also knows that another armed intervention would be extremely costly and that the Russians would be very anxious to avoid it, particularly in Poland, where the Polish army might fight.

Hence there is room for careful testing of the limits of the possible. This might slide out of control if there were simultaneous instability in the Soviet Union, Yugoslavia and some other key places, but on the whole the fear of a breakdown in the precarious, if unsatisfactory, order in Europe is still sufficiently chilling to exert powerful restraints on all concerned. It therefore seems unlikely that there is much immediate danger of serious instability, even if the West continues to champion human rights in a realistic manner. On the other hand, the stresses will not go away, some may get worse, new ways of dealing with them must be found, and there will be sharper debates between those who want to suppress them and those who want to accommodate them.

Richard Davy



Denis Hamilton with his wife Lady Hamilton and the editorial staff of the People's Daily in Peking.

China rolling out the red carpet for Mrs Thatcher

One of the really great men in London and Far East commerce, who was born in China, told me that he had prepared a book entitled "All I Knew About China". He promised me a copy. It had 200 blank pages.

What, then, can one say of this enigmatic land after a second visit to Peking in five years? The language problems are too great to talk freely to anyone and unless one sees the leadership, every Chinese sticks closely to the Party line, communicated by a remarkable internal communications system within hours to every corner in the country. The view of whether the present leadership will last.

Will Hua Kuo-feng, elected Chairman of the Central Committee, be confirmed as Chairman Mao's successor? He is referred to variously—as comrade, or Chairman of the Central Committee, only sometimes as Chairman Hua. His photograph is now appearing on public buildings alongside Mao's. There has been a vacuum at the top since Chou En-lai became ill in 1974 and Chairman Mao died last autumn. Mao, strangely, failed to fill many of the top places long before he died, one explanation being that he would have had to give in to the Gang of Four faction and appoint their nominees.

How does one view Chairman Hua? At 56, he is one of the youngest members of the Central Committee. Obviously, his record shows him to be a westerner by a Chinese official, as the "Chinese Mafia". Because they know that Mao's

policies in his last decade leave him open to criticism, the Government has recently published Mao's 10 points, which he made in a speech of September, 1956, as proof that he had laid down the right policy for modernization and inferring that if there had been lack of speed in development, it was the fault of those who had to execute the policies.

Hua has never left China. I was told by one very senior ambassador that Hua was an expert on internal security and that some in the higher leadership were saying that he was always asking what he should do outside his own specialty. This is inevitable while he plays himself in. Another ambassador thought he would grow in stature and already, the people have faith in him. They were genuinely puzzled about Lin Biao's disgrace (he was next to Mao in 1969), but they were full of "jubilation" (a word used by all) that the Gang of Four had been stopped from causing a deep split in the Party which was never far below the surface. Hua obviously gained in authority through his handling of the earthquakes when Mao was dying.

Everyone is now praying for the new regime to settle down and hold to its economic resolve but violent upsets are never far below the surface in China's long history. They badly need foreign exchange reserves to finance purchases of

foreign equipment; a quick way would be the export of oil. Teng Hsiao-ping is needed back to put some force into the economy, which flagged last year, but a decision is obviously being held back as he might be too dynamic to work with Chairman Hua Kuo-feng.

One man who carries a heavy load today is Li Hsien-nien. He is in charge of the financial area of government. He is extremely fluent—his handling of words could make a piece of string sound interesting. Some wall newspapers named him as Chou's successor after Teng's downfall, but this was premature.

The enormous popularity of Chou En-lai was shown by the queues which formed after the issue of four postage stamps in his memory. Displays of photographs of his life are drawing crowds everywhere. History will show him to have contributed as much as Mao to organizing communist China. If Mao had died first and Chou succeeded, modernization would have undoubtedly reached a higher stage than at present. The Chinese were a little frightened of Mao and where he was taking them (the Cultural Revolution was his). The decision to give Chou's widow a senior post was very popular with the masses.

One cannot but admire Chou's achievements so far, whatever the cost to individual rights as we know them.

Everywhere is clean. Everyone looks fit and disciplined, to a long period of growth free from internal and external strife should produce fantastic results. But how can these 800 million people, mostly peasants, handle rapid modernization? No one seems to have any doubt that the Chinese solution has worked so far, and that the West, by contrast, has lost its nerve. However, one's liberalism must not be over-romantic, and the entire subject of the individual on the state on a scale never attempted before would be an unhappy state of affairs if it were permanent.

British trade may have an opportunity when the new leadership reviews the industrial programmes under the new five-year plan. The trouble with the really big construction contracts is our inability to give guaranteed fixed prices. The United States is unlikely to get major orders until there is a better understanding on Taiwan, but, realistically, China is not pressing this.

My interview with Li Hsien-nien was surprising in that he chose to talk about Russia's involvement in Africa. Clearly, it has China worried long term, and the Chinese are uncertain about the line to take when they so obviously hate the racial discrimination in South Africa. Indeed, the Vice-Foreign Secretary, another meeting said he would prefer armaments to be withheld from South Africa, much as they wished to keep it out of Russia's orbit, rather than supporting racial discrimination. Li Hsien-nien said that Mrs Thatcher next week she is really going to get the red carpet treatment because the Chinese identify her as being "hard" on Russia, whereas the Labour Party is seen to be "soft".

Denis Hamilton

Beating the extreme left at its own game

Bernard Levin

Never practise what you preach. This gloomy conclusion, to which I have been driven by circumstances which were none of my choosing, forms the substance of what I have to say today, and I think it unlikely that it will be the last time I turn to the subject. Though the fact that it is certainly the first is itself part of the story.

As regular readers will know, I have long made it my practice to comment on the affairs of various trade unions, and to comment not only in general, by discussing principles or policies, but in detail, especially on the subject of the election of officers. My theme—in the case, for instance, of the AUEW—has always been the same: that the only reason for the success of British, French, and other varieties of communist, together with their front-men and fellow-travellers, has been the apathy and indifference of the majority of members who, like the majority of the country in general, reject all forms of totalitarianism, whether under the banner of the Communist Party of Great Britain or the Socialist Workers' Party (or even International Socialists), or for that matter the National Front.

In this connexion, I have not been content simply to urge branch meetings and to participate in union elections; I have published the names of moderate candidates and their extremist opponents.

Now I have been a member of the National Union of Journalists for well over 20 years, until the last few years, however, I had been a largely inactive member, rarely going to meetings, and voting only in postal elections for national officers. I finally decided to play a more active part after the scandal surrounding the NUJ's decision not to be registered under the Industrial Relations Act 1971. The principle of deregistration was not what roused me, though as a matter of fact I was in favour of the deregistration. But the scandal lay in the fact that although the union, in a national postal ballot, voted for registration by a majority of almost two to one, the annual conference of the organization (which had the constitutional power, and, of course, duty, to ratify so clear an expression of the members' will) voted to deregister, and when a special conference was called, at the instigation of members

outraged by this flouting of the majority's clear instructions, it upheld the decision.

Soon after that I decided to start attending the monthly meetings of the section to which I belong—the London Freelance Branch. I was appalled by what I saw there: a tiny group of left-wing extremists, holding and propagating views that I was quite certain were not shared by more than a tiny fraction of the branch's membership (it is one of the largest divisions of the union, with some 2,000 members), were dominating the proceedings.

They were able to do this because of the pitifully thin attendance at the meetings; an evening at which 40 members turned up (out of 2,000) was a good one. The classic techniques, about which I have written so often, were employed; the irrelevant and time-wasting motions, the protracting of the proceedings until moderate members had gone home; the bogus points of order, the party line, the disciplined voting, the willingness to volunteer.

As you will realize, not all of the actions described in that last sentence are to be condemned; many of the left

extremists have qualities which, directed to non-totalitarian ends, would be admirable. They are assiduous; they clearly care nothing for personal influence or prestige; they are patient; they are conspicuously loyal to their cause and to each other. And they cause trouble, when it does, because those who reject it, who are the great majority, fail to match those qualities with their own.

So, with the one—other member whom I recognized at a meeting, I decided to do something about it. We were grotesquely handicapped at the outset; we knew none of the regular attendees, and were, it seemed, debarred from inspecting the membership list. I went to seek familiar names in the list, and found allies. We were reduced to observing, at meetings, those who voted regularly on the same side as ourselves, taking them aside and inviting them to join our endeavour. By this means, we recruited a nucleus of some 10 members,

and held the first of a series of meetings to discuss and carry through a strategy.

At this point, you may be wondering why I did not run the campaign in this column. Because, difficult though it may be to believe, a branch of the National Union of Journalists has a rule in its standing orders which unambiguously and absolutely forbade any unauthorized publication of anything about the branch's activities. That rule has now been changed; and the change of it, and much else, has come about because of our campaign. We were ultimately successful. At the January branch meeting, the largest the branch had ever held (200 members were there), which took place some 18 months after we launched our campaign, moderate members put forward or supported by our activist group (they range from passionate but impeccably democratic socialists to moderate Conservatives) elected to the board for the branch committee, capturing every seat. In February, the branch

majority continued its advance, winning hands down the election for the branch's delegation to the union's conference later this month; and at the March meeting, amid uproar, the new standing orders, which enable the branch to waste less time on irrelevancies, were adopted.

This has all been done by an immense amount of hard work on the part of our inner group. We have gone out into the highways and byways to recruit new allies; every time we have found one, we have got him or her to supply us with further names of members known to be against the extremists; every name has gone towards the compilation of the mailing list which has enabled us to send out an irregular and unofficial "bulletin" to urge members to come to meetings, and telling them who the moderate candidates for elections are. (The left, of course, has done all this for years, and one of the few amusing aspects of the campaign has been the extraordinary show of indignation they have put on at the sight of a leaf being taken from their own book.)

It has not only been hard work; it has also, though so far very successful, been in some ways dispiriting. For many of

the moderates seem quite unable to get the habit of coming to meetings regularly. There are only 10 such meetings a year, but for every crucial one I not only have to send out exhortations by post (two or even three bulletins have been necessary for a single meeting), our inner group has also had to spend a vast amount of time telephoning supporters to urge them to be there and to stay to the end. And the feebleness of some of the excuses is the most dispiriting thing of all.

And yet, after all, what the argument is about is democracy. The NUJ, where democracy is concerned, is not entirely unimportant; certainly the left extremists (they have a national body within the union, called "Journalists' Charter") know that and have as their goal the control of the union and its use as an instrument for their own political ends. (That, incidentally, is one of our handicaps; having no party line to unite us, and having among our chief aims the ending of the union not only more responsive to the wishes of most of its members but less disposed to spend its time on extraneous issues.)

Well, let us see whether the change in the standing orders, which has enabled me to write

this column, will do democracy any good. The next meeting of the London Freelance Branch of the National Union of Journalists will take place next Monday, April 4, at the St Bride's Institute, St Bride's Lane (near Ludgate Circus), and will start at 6 p.m. (Under our new rules, it cannot last beyond 9.30.) Among other matters to be discussed are the branch delegation's mandate for the various resolutions at the annual conference, and a number of votes of no confidence in the newly-elected committee and the new standing orders. I urge all moderate members to be there in good time; to bring others, or urge them to come, too; to stay to the end; and to support the committee and moderate policies.

It remains only for me to add one irony, though I have been, as members of any persuasion would agree, assiduous in my own attendance, inescapable work obligations make it impossible for me, for once, to attend on Monday. If any are disposed to use that as their excuse for not coming themselves, so be it. At any rate, it will be a change from the one about the baby-sitter turning up late.

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You'll be a Fool if you don't.

Test drive the Alfasud from Alfa Romeo

I had never been to a fashion show and, since there is no much time left, I accepted the invitation to a London fashion club yesterday to see what Yuki had to offer. Yuki is a Japanese designer, based in London, with something of a reputation for haute couture. This was to be a big occasion; his first range of ready-to-wear clothes.

On arrival I was directed upstairs, where the fashion writers were having breakfast. They were an odd-looking bunch of women, many of them very tall, mostly over-dressed and too heavily made-up for the time of day, tan boots reaching to just below the knee, some beneath jodhpur-style leggings, others with mid-length skirts. They told each other how good they were looking, and inquired whether they had enjoyed Paris.

Downstairs, the seats were arranged round an oblong space where the models were to parade. Yuki appeared, wearing a black velvet jacket with no fastening at the front. It reminded me of the tunic I used to wear in the Royal Navy, and I expect he had almost as much trouble getting it on. In his brief and soft-spoken introduction, he announced that was going to dispense with the usual background music, so that we could concentrate on the clothes. This was the first disappointment I had been looking forward to the tinkling renditions of A Pretty Girl is Like a Melody, which I had understood accompanied such affairs.

It was a winter collection, and Yuki is expecting some extreme weather, for the models were all well wrapped up. Many

The Times Diary

But are women ready to wear it?

of the dresses had high collars reaching above the chin, worn with black-lace-like woolsen hats which came down below the ears. The models' faces peered out from between, as though through the visor of an armoured helmet. Many of the tops stretched down to the middle of the wearers' thighs, keeping their bottoms well wrapped—good for smart week-end parties in country houses with no central heating.

The accessories were intriguing. Many of the dresses were worn with circular hats shaped like ring doughnuts, the crown of the head poking through the middle. One model wore what I can only describe as a giant false eyelash which covered the whole width of her forehead, without a break.

The clothes seemed attractive, heavily angular in shape and with a look which I imagine is what they mean by ethnic. Yuki is fond of tartan, which represents a sort of ethnicity in itself. I could not, though, imagine anyone I know wearing them, except models or fashion writers. They may be ready to wear them; but anyone ready to wear them? What, then, was I to make of his haute couture collection which followed?

For that he employed a new set of models, many of them foreign—perhaps calculating

that only foreigners could afford the prices. And the pervasive ring doughnut hat had been replaced by something which looked like a giant ampersand.

The show had been going for more than an hour by now, and the audience were becoming restless. They began to behave like schoolgirls being filmed for a television documentary; a few sucked boiled sweets, and I saw one handing round a note to her near neighbour, who giggled.

A few of us sneaked away before the end, and as I did so I asked the fashion editor of the Evening Standard whether it had been an impressive show. She said yes, it had. But then I put it to her that nobody in my life ever wore clothes like that.

She had a ready explanation. "Can you imagine," she asked, "anyone dressed like that going out with a man in a Marks and Spencer velvet jacket?" Ouch.

Our shame

Just now Serious, my football correspondent, writes: "It was another night of shame for English football at Wembley on Wednesday night. The flower of British skill, the cream of the first and second divisions, were humiliated by a team of part-timers and no-hopers from

the tiny principality of Luxembourg. There were no excuses for the feeble British. True, they had dozens of near misses. True, the referee gave some amazing decisions—like his refusal to award a penalty when an English player was fouled in the goal area. But getting the ball in the back of the net is what it is all about, and that we were dismally lacking.

The gallant little Luxembourg-bourgeois—who have not won a game since they beat Prussia in 1873—were jubilant. "I am jubilant," declared Natzo Gud, their diminutive manager. "Especially since I had two men on my side who had never played football before."

There was jubilation too from Italy, now confident of keeping England out of the World Cup final in Argentina. Baccuzzi Net, their shrewd soccer boss, shipped out of Wembley last night wearing an enigmatic smile. "I would say it is back to the drawing board for England now," he said.

He is right. No Briton can do anything but hang his head in shame. Result: England 5, Luxembourg 0.

An outraged member of the Upper House sends me this extract from the House's minutes of proceedings as they read their Lordships' indignation at the House's failure to launch My Oxford and My Cambridge. He told me that these would be followed by My LSE, My Medical School, My Drama School and perhaps, tapping the rich American market, My Har-



Oh, my

Jeremy Robson of Robson Books thinks he is on to a winner with his new series of books about people's adventures at their places of further education. He felt confident enough of their appeal to give a reasonably lavish party at a West End club on Wednesday night to launch My Oxford and My Cambridge.

He told me that these would be followed by My LSE, My Medical School, My Drama School and perhaps, tapping the rich American market, My Har-

vard, My Yale and My Vassar. The series was the idea of Dennis Abse, poet and entrepreneur, who edits it. Several of the contributors to the first two books were at the party, though Oxford was better represented than Cambridge. To identify themselves they wore lapel badges of light or dark blue, but this little help to me, because I can never remember which colour is for which.

I noticed that many of the faces were the same as those I had seen at the notorious lunch I wrote about last week, at which £70 gold-plated pens were distributed to the guests. Whatever else an education at those famous seats of learning qualifies people for, it does seem to put them in the way of receiving pricey trinkets. A woman who had read the book told me that the contributions tended to drop more names than those from people who came down recently. The more names that are mentioned in a book of this sort, the larger its guaranteed sale. "But there is no index," the cunning Robson told me. "So people who want to know if they are mentioned will have to read through the whole thing."

Lord Bath, bidding fearless journalists to a press conference at Longleas next week, says, in his invitation: "We hope to see you at the lion reserve, and afterwards at Longleas House for a drink and a bite."

PHS

Holidays in Greece

a Special
Report

Aiming to set an
example

Sunny release from prison of routine

by Arthur Foss

Recently, after yet another birthday, I was suddenly chilled by the thought of being too old to travel to Greece. What, I wondered, would it be like to hear of friends departing for Athens, Crete or Samos and to know that never again would I enjoy that first glimpse from the air of Corfu is - the soft blue Ionian, faintly enshrouded in summer haze, or before landing at Salonica, see Mount Olympus to the south or three-pronged Khalkidhiki, pointing like a trident south-eastwards across the cobalt Aegean towards the distant Dodecanese?

I shall, of course, have my memories, first of the wide shining valley of Lakkaouli in Epirus, rimmed on the west by the rugged mountains of Souli. Two streams of shallow, translucent water unite halfway down the valley to form the Achero, river of the dead. Death, however, was not here but beyond Lakkaouli's eastern bastions where German forces in September 1944 were massing for their retreat back to Fortress Europa.

We passed at that time through a wretched hamlet whose few inhabitants were emaciated, oppressed, perhaps by malaria which was but no longer endemic in that remote region. Tradition impelled them to offer us hospitality for we were strangers and guests—the same Greek word covers both meanings. Coffee made from acorns duly arrived and was presented with the dignity of princes dealing with their equals.

A few weeks later, after the energy had forced their punishing attacks of the EDES guerrillas, we shared a bottle of tsipouro, the home brewed spirit of Rousmelli, with a cheerful elderly couple who insisted that the guerrillas should garrison the north wind, sent Baltic

not fade and the irrepressible ghosts of my Greek friends will keep me company in the twilight hours.

Then from the mid-1950s there were holidays by the Aegean and Ionian, always starting with that wonderful feeling, when first stepping into the dry heat of the summer sun, of release, however brief, from the prison of routine. Behind the sandy beach rose olive groves, hills or mountains with the haunting shapes of islands beckoning from the sea's dark blue horizon.

However, what I shall remember in my drowse may then no longer exist. Many little fishing villages may have grown into large resorts, the olive trees cut down to make way for hotels and villas as elsewhere in the Mediterranean. I shall try to siltie regrets on that score, even when the new architecture is quite out of scale with the landscape. The Greeks have been invaded, fought and suffered more than most European nations and have few natural resources.

It would also be childish to deplore the opening up of the multitudes of one's favourite haunts. Such secrets are always eventually revealed. "A place, like a person," C. E. Montague wrote on this theme, "must take the chances of life as they come. If it is great it must face the normal troubles of greatness."

In any case, the Greek coastline is a long one. There will always be havens for those in search of solitude and simplicity—so at least I fervently hope—places too small and isolated to justify the building of airports which let in the flood.

Today Greece is immensely popular—but that is nothing new. From time immemorial she has proved an irresistible attraction. Fresh peoples have been continually lured towards this sun-soaked mountainous land. Even the Hyperboreans who lived, according to Herodotus, beyond the north wind, sent Baltic

amber as offerings to Delos, long before the Athenians gained control of the Sanctuary.

In addition to the Bronze Age Achaeans and their Dorian successors, there later came, among others, Romans, Goths, Slavs, land-hungry Crusaders and Venetians, followed by Catalans, Albanians and the Turks, who were expelled from northern Greece only in 1912-13. Those successive invaders destroyed, restored or built anew; the landscape is littered with evidence of their passing which, for me, is part of the country's fascination. Not even Italy can show so many diverse cultures.

Since the middle 1950s, the tourist invasion has been gathering pace, lured to Greece by its renown and its climate. As more roads are opened to cope with this new traffic, more coaches rumble along them to the better known sites of antiquity. Traditional architecture is being destroyed, as elsewhere, to make way for modern developments.

This much-needed wealth has made television possible, with sometimes considerable effect upon local attitudes; the rural population has discarded its traditional folk costumes, now thought of as deplorably old-fashioned, much to the pleasure and profit of the antique dealers.

The same wealth has also meant better education of funds to archaeology and much of great value has been revealed as a result. Fewer Greeks, moreover, must now seek work abroad. The balance sheet must be fairly drawn up.

So I started wondering where I should go in Greece if I were to make a final journey and decided on the area I know best—the Ionian Islands, Epirus and Macedonia. In the Ionian not only luxurious Corfu but Zakynthos, Cephalonia and Ithaca also call.

In Epirus and western Macedonia are Tempyon's "Illyrian woodlands, echoing falls of water, steams of



Balconies form a trellis for vines at Arnsia on the Khalkidhiki peninsula.

summer glass" where in Kastoria, and in Salonica, 1848-49 Edward Lear, so the Macedonian capital, are several dawning from the fifth century.

Some remarkable Byzantine monasteries, the interiors of the chapels painted from ceiling to floor with religious scenes, stand on the island of Ioannina's lake, on lofty Meteora in Thessaly and above all on Mount Athos, where a medieval faith still lingers in surroundings of outstanding beauty; here would be a fitting destination for a final fling.

But not yet! Many years, I hope, remain to explore or revisit such places as Zagori, between Ioannina and the Pindus mountains, where in stone villages, surrounded by the steep grazing slopes of Vlach and Sarakatsani shepherds, live the descendants of Greeks who were never conquered by the Turks, or the coastline of Khalkidhiki—one could go on almost indefinitely.

Throughout Greece, however, the scenery is never complete without the salty presence of the inhabitants; extrovert, humorous, gen-

ous, inquisitive, outspoken on occasion, acerbic always friendly, they bring the landscape to life. Together they make an unbeatable team. I only hope that they do not find the present pace of development too much for them.

The author has written a book on The Ionian Islands (Faber, £2.75) and is engaged in writing one on the Epirus, to be published next year. In May, 1978, he will conduct a tour round Byzantine Greece for Serenissima Travel.

by Mario Modiano

Is Greek tourism nearing saturation point? After all, how many foreign holiday-makers can this country of nine million people accommodate, feed, and entertain without harming the very amenities which attract them?

These misgivings were born in the wake of a particularly successful tourist year in 1976 when the number of foreign visitors soared by one third to a record of 4,243,563. Mr George Rallis who, as minister in charge of the Prime Minister's Office, is responsible for laying down the Government's policy on tourism, says: "I believe that by 1982 we shall have 6,500,000 tourists each spending 12 days in Greece."

Some people thought that this was the maximum Greece could ever take. "Nonsense," Mr Rallis said. "What we must do is to increase the inflow gradually without creating problems for the country of the tourist."

The minister was opposed to tourism on a gigantic scale because of the risks involved: "If in one year you get 20 million tourists, and in the next this drops to 10 million, your private tourist industry will be exterminated," he said.

Many Greeks believe that tourism is already affecting the environment through large-scale development, especially in the most beautiful areas of the country, and that it threatens to increase pollution, alter the social structure of Greek society, and corrupt the nation's cultural values.

The Greek Government is certainly aware of the hazards involved and is already making plans to neutralize the adverse side-effects of the tourist boom.

One way of diluting these disadvantages is to discourage the construction of massive tourist conglomerates, but build instead small family hotels of 100 or 150 rooms, which tend to merge with the environment, do not create sewage disposal problems, and are of a manageable size.

Professor George Daskalakis, chairman of the board of the National Tourist Organisation, believes that all developing countries face the great dilemma of economic development

versus conservation of the environment. He said: "What we are looking for is the golden mean."

Tourism itself could not exist without conservation, he said. "We want to make Greece a model country for tourist development—a country where development keeps pace with the protection and even the improvement of the environment," he added.

One of the projects inspired by this philosophy goes into full swing this year. Mr Rallis said: "We have selected six places which are traditional settlements, each an unspoilt village representative of its area—architecturally, culturally and physically."

The tourist organization was buying or renting houses in the village, many of them abandoned, refurbishing them inside and out, and improving essential amenities without tampering with the traditional harmony. Then they will be rented to the tourists.

The "traditional settlements" are: Vathia in the Mani, Makrynitza on Mount Pilon, Mesta on Chios, Zagoria in Epirus, Piskario on Cephalonia, and St John Theologos on Thassos.

"We sign a contract with the owners for 10 or 15 years," Mr Rallis said. "They have the right to use it one or two months each year. We will have 400 beds in such houses this year. Next year 800 beds. And there are signs that the local people are appreciating what we are doing to preserve the national heritage, and are willing to cooperate."

The idea of reviving the traditional settlements was also financially sound as under the project the investment would be £1,600 to £2,000 a bed, against £8,000 to £9,500 for a bed in an hotel.

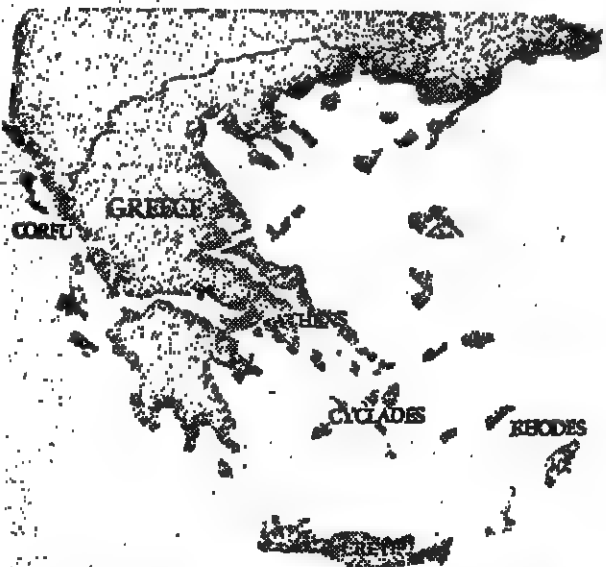
The tourist organization is spending £2m this year for the traditional settlements. "Even more important is that in this way you develop areas which are not amenable to other forms of economic development," the minister said.

Another way of softening the impact of mass tourism was to extend the tourist season and spread the number of visitors more evenly throughout the year, avoiding the congestion of mid-summer. To achieve this

continued on page IV

It is most fitting that a people with such a feeling for fun, music and life itself, should choose me as their favourite god.

Dionysus, God of the vine and the good life.



Dionysus, alias Bacchus, was destined to become the greatest deity in later ancient Greece. And although probably an intruder from Thrace, seldom has an outsider been so warmly welcomed.

As lord of the good life and giver of wine, his popularity was assured. It is no wonder that he was generally accompanied by all manner of revelry.

Greek theatre began in his honour as a religious rite, and it was his patronage that led to the creation of the comedies and tragedies that were to captivate the world.

If Dionysus appeals, then be thankful that gods are immortal. For his spirit of enjoyment lives on in Greece today.

To be led at night through Athens' Plaka of a thousand shops, clubs and tavernas is to encounter a whirlwind of pleasure than can only be Greek.

And the Greek experience is a rare all-season affair.

The sun bathes a string of beaches in gold from the very first day of spring to the last of autumn, from the relaxed, temperate, uncrowded months of off-season Greece, to the popularity and excesses of the summer heights.

And none of this is confined to Athens.

Incomparable Corfu is famous the world over. And only seeing is believing.

The many faces of Crete entertain the tourist in a manner worthy of an island that saw the birth of our civilisation.

Rhodes, the universally popular Mediterranean playground, moves at a pace tailored to the energetic.

Whilst the Cycladic Isles are rightfully considered a "gift from the gods". The snail's pace of untouched Kea. The abundance of good living on Naxos, where Dionysus once presided over "wine classes".

And mysterious Santorini, where lost Atlantis may yet be found.

Such a limited tour can only tempt, but if tempted you are, just write to: The National Tourist Organisation of Greece, 195-7 Regent Street, London W.1. Or call 01-734 5997/8/9. Or ask your travel agent.

We'll give you all the information on the incredible choice of holidays, and how to fly there on our National Airline, Olympic Airways.

And whether you're a package tourist, a cruiser, or a camper, you are certain, like Dionysus before you, to be totally intoxicated by the Greek experience.



Greece and the Hellenic Isles.

They're closer than you think.

Athens: do it yourself

by Sheila Walsh

There is more to Athens than can ever be packed into a guided tour, so my advice to the discerning tourist is: explore the city on your own. During an unregimented five-day visit one can not only see the city, but enjoy it and come to feel something of an Athenian.

It need not even cost a fortune if you stay at comfortable B-class hotels such as the centrally located Galaxy, Minerva or the Athenian Inn, where double rooms with bath and continental breakfast cost about £12 a night.

Once you have your base, you can set out to discover the city. For the past 2,500 years visiting Athens has meant seeing the Acropolis, its walls and its scaffolding and workmen there, as the experts work to save the monuments of the Acropolis from the ravages of the pollution produced by the traffic and the chimneys of modern Athens. Despite scaffolding the Parthenon remains majestic.

There is much to be said for going on to the National Museum while the impressions of the Acropolis are still fresh in one's mind. Its vast collection of the art of ancient Greece makes it one of the world's great museums.

One of the museum's most exciting treasures, the

Thera exhibit, is often overlooked by visitors because it is on the upper floor. The Thera rooms have frescoes and artefacts excavated in recent years at Akrotiri, on the Aegean island of Thera, where a Minoan city was buried intact after a volcanic eruption about 1500 B.C. The frescoes, remarkable for their charming freshness as well as their beauty, give a vivid picture of a highly developed civilization.

All this splendour should be followed by a really good meal. Gerofitakas (10, Pindarou Street), which takes its name from the old palm tree that still stands in the dining room, is one of Athens's classic restaurants, where a meal for two can cost as little as £6 or as much as £20. Their admirable Greek recipes, mazes, chicken with mushrooms, and fish are all displayed for the diner.

Another day should be spent around the Plaka, the old quarter of modern Athens. It leads a double life. By night it is filled with high-decibel bouzouki music, neon signs, busy tavernas and a carnival air. By day it is a quiet neighbourhood with small, old-fashioned houses, artisans' shops and winding streets that work their way up to the foot of the Acropolis.

In the upper reaches of the Plaka nestles the small area known as Anafiotika, a cluster of whitewashed

village houses that takes the visitor into another world. It was built in the middle of the nineteenth century by island seafarers who had come to Athens to work, and made for themselves a replica of their village on the island of Anaphi. Many of their houses still stand. From the narrow streets the stroller glimpses courtyards with fig trees, women doing their washing, and unexpected views of the Acropolis or a tiny white church.

The museum of Greek Popular Art on Kydathineon Street in the Plaka provides a glimpse of the interior of an old village house as it might have been. It is a reconstruction of a room, decorated with wall paintings by the primitive painter Theophrastos of dashingly muscled nineteenth-century Greek heroes. This small, well-arranged museum also has excellent collections of traditional Greek embroideries and costumes.

One of Athens's newest museums is high up in the Plaka. The Kanellopoulos Museum, a handsome neo-classical mansion, houses a collection of pottery, ceramics, jewelry and icons spanning Greek history from ancient to medieval times.

The Athens flea market, Monastiraki, is close to the Plaka. It is unlikely to yield any spectacular bargains because the sellers know their wares. But the wares and the merchants make a colourful show.

The nocturnal Plaka is also part of Athens life, and dinner at the Xynos taverna (Angelou Yerosodou 4) is one of the pleasures of the city. In the courtyard, the food is typically Greek, washed down with good retsina to the accompaniment of Greek musicians. The bill should be about £20 (£3.17 a person with wine).

Although Sunion is 43 miles away, no trip to Athens would be complete without a visit to its Temple of Poseidon and the drive along the striking coastline of Attica. The temple stands dramatically on a rocky headland high over the sea. Lord Byron was a visitor, and not only immortalized it in verse but left his name scratched on one of the temple columns. There are good bathing places near by, as well as restaurants for those who want to make a day of it.

In the evening back in town, one might dine at the Taverna Anna (Pericleou Stavrou 3, off Kifissia Avenue), a favourite with the gourmets of Athens. The menu includes mushroom salad, snails in tomato sauce, courgette with a delicate yoghurt and garlic sauce, and good wine. With a glass of wine, the bill should be just under £20 a person.

Athens also offers a quick trip to Byzantium. The first stop should be the Byzantine Museum, which occupies a fine building in the heart of the city. The museum contains an enormous collection of icons and models of churches. Follow the museum visit with a picnic lunch near the Karamitaki Monastery. The eleventh-century Byzantine monastery stands on the pine-covered slopes of Mount Hymettus, where old women gather wild thyme and sage. The monastery predicts are cool and shaded even on the hottest day.

Later afternoon trip to the eleventh-century church and cloister at Daphni, with its magnificent mosaics, could round off the day. There is also the summer wine festival at Daphni, with readings of Greek music and dance.

Another day in Athens might well start with a look at Athens from a different angle. Go to the top of Mount Lycabettos, the city's other hill. A funicular climbs to a whitewashed chapel at the summit and a spectacular view of Athens, the sea, and on a clear day, the islands. On some days however one can also see the cloud of smog that is damaging the Acropolis monuments. Halfway down the hill a cafe offers a shady terrace, nice mazes and a view.

Part of the panorama seen from Lycabettos is Tourkolimano, the picturesque small boat port halfway between Athens and Piraeus. It may seem familiar because the harbour lined with brightly coloured restaurant awnings makes a perfect scene for travel posters. Although the place has most definitely been "discovered" by the Athenians themselves, it will go there for Tourkolimano's engaging mixture of retinas, fish, Greek salad and boats. In hot weather it is best to go there at dinner time.

by John Carter

Because Mr John C. Carras chose to approach the task of holiday resort development from a different viewpoint, the Greeks are building their first sizeable amphitheatre for 2,000 years, thousands of citrus, olive and almond trees have been planted on previously barren land, a cattle breeding establishment has been launched, and a million vines planted on a 4,500-acre site on Khalkidhiki, a peninsula jutting into the Aegean south of Salamina. A

new community has been created, an old one saved from extinction.

The Carras concept was to make the resort—Porto Carras—a place where the tourist could meet local people and become involved in the way of life. It is an extension of his philosophy as applied to the special interest cruises organized by his shipping company.

To achieve his aim, he reversed the normal development procedure. Generally, this means that hotels, villas and apartments are built as quickly as possible in order to recoup capital expenditure, recre-

ational facilities added afterwards and little more than fly service paid to the overall environment.

At 70, Mr Carras obviously felt he had enough experience and success to justify doing it his way, so he set out to create the environment first, putting in a network of roads and cultivating the land which he had bought from the Athos monasteries. The agricultural development of the estate was carried out over five years and already the Carras winery produces a million bottles of Thessalon-type wine each year. The estate's livestock will

provide an adequate supply of fresh meat for the resort, and the planners have even set up an apriary which produces about 10 tons of honey a year.

All that began in the mid-1960s. It was not until 1973 that construction of the resort complex was begun, on a site of about 450 acres with a beach frontage of more than half a mile. When completed and officially opened in 1976 it will be the largest hotel/recreational development under single ownership, with room for 3,000 guests in its two large hotels, its village inn and cottages. There is no doubt that it will alter the pattern of tourism to this generally neglected area of Greece.

It is already receiving visitors, and in May the Los Angeles Philharmonic Orchestra will inaugurate the open-air theatre there when the Carras finer Dances call at the port on a special in-

terest musical cruise. Other calls are scheduled during the year.

Among the resort's other facilities will be an 18-hole championship standard golf course, a marina with 180 moorings, 15 tennis courts, of which one has been designed for international tournaments, eight open-air and one indoor swimming pools, a convention centre seating 2,000, art and handicraft centres.

The Carras concept is aimed at upper-bracket tourists who want plenty to keep them occupied and who demand high quality. In some respects it has been compared to the Costa Smeralda development created out by a group headed by the Aga Khan. But Mr Carras is very much one man's conception and if it succeeds it open-air theatre there when the Carras finer Dances call at the port on a special in-



Mr John C. Carras, photographed at Porto Carras, the estate he is developing in Khalkidhiki. In addition to the tourist area, due to open in 1978, the estate includes vineyards, citrus plantations, olive groves and farms.

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Crete: proud and singular people

by Mark Ottaway

It was after dinner in a restaurant named Revolutions in Heraklion, 10 years ago this Easter, that I conceived the ambition to know Greece. It began with a sound which to me then seemed almost indistinguishable from the wail of a tom-cat: that of the lyre, a strangled instrument, striking up one of the stately dances of the island.

Soon half a dozen men—men only—looked the floor and, holding hands, began to perform a measured circular step around the room. The leader, secured to the next man by a handkerchief grasped by both, would perform occasional feats of bravado, twists, leaps and calf slappings, until, finally breaking free he would perform a last leaping dance step a chair or table, before joining the rear of the file and ceding the lead to the next man.

It was not so much the elegance, grace and emotion (finely poised in that uncertain area between exuberance and grief) of the dance that moved me as that these were all elderly, ordinary men: for all I knew the local grocer, road mender, dustman and plumber, all middle aged or beyond, all moved by some emotion, tradition and ability unknown to or forgotten by their Western European counterparts. I had to know what and why.

I imagine that Adam Hopkins, the author of *Crete, Its Past, Present and People* (Faber £5.50), must have had a similar experience. In any event he has written the book I wish I had had on my first visit to Crete. It is essentially a primer, assuming that we are beginners to Crete and Greece. Its only irritant is also the hallmark of its success: it raises almost as many questions as it answers and leaves one hungry for more (to which end there is a voluminous bibliography)—not least for more of the evocative line drawings by Victor Shreeve.

The format Hopkins has chosen, a quick canter through 3,500 years of history from Minoan times to the present, capped with some deftly and sensitively penned portraits of the modern island and its people, is ideally suited to his purpose, for the Cretans, more than any other Europeans, have been moulded by their geography and history. I am grateful for having my attention drawn to what I always knew but never realized: that the essential beauty of Minoan artefacts is that they never portray pomp or war.

I am prejudiced about the Minoans, believing that their contribution to European culture has been underrated and that it owes much to the freedom, if not

power, which women enjoyed in their society. Hence I am delighted to learn that the dark minotaur, St Paul, was swept from Crete shores by a storm and deposited on Malta instead. The usually forgotten years of Cretean history (from the fall of the Minoan civilisation to the nineteenth century struggle for independence from the Turks) have been generously treated, for it was these years, as Hopkins says, which "combined to make the Cretans so proud and singular a race". He has the honesty to admit the failings of the modern Cretans (especially when given reinforced cause to build with) and that they are not always as generous people to know. The foreigner, overwhelmed by their philoxenia (love of the



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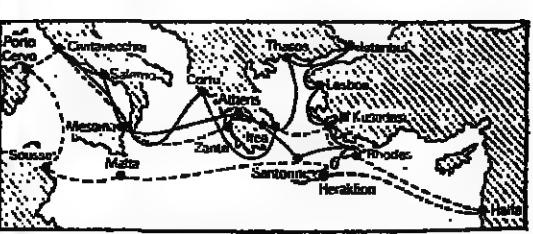
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How to get the best of both worlds



Koutsoumari, a privately restored village which is popular with holidaymakers.

by Gladys Nicol

For some time it has been obvious that a halt must be called to the indiscriminate building of hotels along both the mainland and island coastlines of Greece if the highly individual atmosphere is to be maintained.

The National Tourist Organization of Greece (ETO) also believes that half the attraction for visitors to their country is the opportunity to meet and live alongside local inhabitants rather than to be incarcerated in tourist complexes meeting only other tourists. The organization believes it has found a solution which could offer this, and could, at the same time, provide the work to stop the inevitable drift to the already overcrowded cities and resorts by the younger members of rural communities.

The ETO will continue to invest in tourist accommodation, but by adapting some of the most interesting and unique traditional houses in various provinces so that the holidaymaker will come to villages rather than to cities. The scheme is ambitious. It also costs, for initial work is expected to be in the region of £2m. Work has begun on both the interior and exterior restoration of properties, and on the provision of adequate facilities, central tavernas, restaurants and so on. In most instances Greek families will be living in close proximity to the visitors can become part of local community in more easily.

On Santorini, for instance, 60 small houses, each averaging five rooms, are being restored, while at Chios, at Mesta, 50 houses of a similar size will become available, and, on the island of Rhodes, a small proportion will be ready to receive their first occupants this summer, with the remainder completed by 1978. Rental will be possible from site offices during 1977, but the infirmary service.

Final scale of charges has not yet been fixed.

The traditional houses of Piliou in northern Greece are much larger in concept. Mostly, they are taller and larger, as befits both landscape and the climate, and will offer an interesting opportunity for holiday visitors to stay in properties otherwise seldom open to foreigners. The eight houses scheduled for restoration in the villages of Vafitsa and Makritissa, will have 15 and 20 rooms apiece, and again will have neighbouring Greeks in the vicinity, but they will not be available for occupation before 1978.

Another interesting restoration is taking place at Lamia, in the vicinity of the same district, and this should be ready to receive guests within two years.

When these initial projects are completed others will follow. Two of them, at Vafitsa and at the tower of Artopolis near Mena, are in the Peloponnese, one is at Fiskardo in Cephalonia, and at Zagoria in northern Epirus so that, when completed, the traditional architecture will be scattered through Greece and cover many typical examples of architecture and ways of life.

The idea is not new. Even in the 1950s, when there was already one delightful privately restored village proving exceptionally popular with holidaymakers, which is featured in the brochures of Allsun, Erna Low, Olympus, and Travel Workshop. This is at Koutsoumari in southern Crete, near Ierapetra, and is the brainchild of Eleni Nakou, whose Elounda Beach complex in Crete is so successful.

Costs at Koutsoumari vary slightly with season and with operators, dependent on whether a car is included in the package but, broadly speaking, a fortnight in early June, with a cottage for six people, cleaning services and car hire is about £220 each. By making private arrangements a similar cottage costs a little over £100 a week, including cleaning services, linen and so on, but no flights or car hire are included.

This could provide the best of both worlds when, on the help of their Greek neighbours, visitors are invited into the rural way of life while still enjoying all the amenities of modern life and the infirmary service.

Swinging sport

There can be more to a Greek holiday than rolling on a beach for those who do not consider sunbathing a sport. Golf and skiing have in recent years joined yachting as attractions for holidaymakers.

The climate makes Greece something of a paradise for the golfer who does not feel that physical discomfort is an essential part of the game. Winters are mild and in summer golfers tend to play in the cooler morning or late afternoon.

In Athens last year there were only two days out of 365 when the weather interfered with golf. Tours packaged especially for golfers are on offer, and last year 50,000 foreigners played golf in Greece.

The country already has three first-class, 18-hole golf courses strategically located at Athens, Corfu and Rhodes, all designed by a Briton, Mr Donald Harradine. Four more courses are planned.

The Glyfada Golf Club on the outskirts of Athens has an 18-hole, 6,125-acre course which is rated as A-class. Mr Karamanlis, the Prime Minister, regularly plays there. It has an attractive clubhouse with a restaurant. The club's facilities are open to visitors. The green fees are dr400 (£6.35) on weekdays, dr600 on weekends, and dr2,000 for a week. Clubs and caddy fees are available for hire.

The Corfu Golf and Country Club is located in the Ropa Valley, one of the most verdant parts of an island famed for its greenery. The 18-hole, 6,195-acre course, which opened four years ago, has first-class greens, an attractive clubhouse and a swimming pool. There are two seaside hotels near by and the course is a 15-minute drive from the town of Corfu. The green fees are dr250 a day and the weekly rate is dr1,250. The Third International Corfu Amateur Championship will be held at the club from May 11 to 15.

On the island of Rhodes the Aphandou Golf Club offers an 18-hole, 6,280-acre course, held out between the sea and olive groves. The green fees are dr90 on weekdays, dr150 at weekends, and the weekly rate is dr510.

Although one does not think of Greece as a ski country, it is 80 per cent

mountainous. Snow can usually be waited on from January to the middle of March at heights above 1,500 metres.

Skiing in Greece is a new sport and may not suit the visitor who wants the streamlined organization of luxurious hotels and night life of the established Alpine centres. But the skier who wants to get off the beaten track and stay in picturesque villages may enjoy following the Greeks in the discovery of their snow-topped mountains.

There are four major centres. Mount Piliou (1,534 metres), near Volos in central Greece, has chairlifts at Agriolefikes, near the village of Hania. Accommodation is available in Hania, Portaria and Zagora, as well as in the town of Volos 17 miles away.

Mount Varnion (2,065 metres) is in northern Greece. The three lifts are near the village of Seli, where there is accommodation. There are also hotels at Naxos, 11 miles away, and Vafitsa, 18 miles away. Mount Parnassos (2,457 metres), above Delphi, has lifts at Gerolimvachos and Pterolaka. There are hotels at Arachova and Delphi, 14 miles and nine miles away respectively. The Pindos range in north-west Greece has lifts near the village of Metsovo, where accommodation is available.

Yachting can be sport or sybaritic, depending on either way it offers an escape from the other tourists to the "undiscovered" islands and coves of Greece. Charter yachts with crew in Greece range from \$250 to \$2,000 a day. There are some bareboat charters available for qualified yachtsmen who do not want a crew.

The Government has recently decreed that only Greek-flag yachts may ply for charter in Greece. The elimination of foreign-flag vessels from the market has reduced the number of yachts available.

Seaside resort hotels are beginning to make small sailing boats available for hire to guests by the hour or the day. For members of foreign yacht clubs that have reciprocal agreements with the Yacht Club of Greece, it is possible to take one of the club's small boats out for a spin in the Saronic Gulf.

Haunting memories

by Joyce Rackham

Of all the memories of Greece which endure long after one's travels are over, some of the most vivid and haunting are those of the sight and scent of the flowers and plants, both wild and cultivated, which cover the land in such rich variety. Spring visits provide the greatest visual treat, while in mid-summer, with so much of the countryside withering in great heat, botanists can make many exciting finds in the mountainous regions where the flora is remarkable.

In the autumn, the spectacle of the vintage is everywhere, and by choosing your destination carefully searching for plants can be rewarding. The winter climate generally (apart from the high mountains) is usually much milder than most parts of Western and Eastern Europe. Then the delicate beauty of snowdrops, and brilliantly coloured crocuses and anemones are a striking feature of the flora in many places.

Lawrence Durrell, in his nostalgic *Reflections on a Marine Venus*, written after a stay in Rhodes, gives a fascinating and useful *Shon Calendar of Saints and Flowers*, at the end, adding a few local superstitions and legends to good effect. On a spring visit to Rhodes, this book was an admirable travelling companion, as we drove along country roads past fields ablaze with golden crown daisies, masses of poppies and brilliant blue larkspurs.

An essential item in the luggage of any flower enthusiast or botanist visiting Greece should be the newly published *Flowers of Greece* by Anthony Huxley and William Taylor (Chatto and Windus, £3.95, paperback; £6.50 hardback). It is well written, richly illustrated both with colour pictures and line drawings, and combines the essential information on a wide range of the flowers and plants with some of the myths and legends they inspired, and the ancient medicinal remedies for which they were used.

The chapter on island flowers devotes much space to Crete, which has 130 endemic species, and remarkable mountain flora too. We found early May just commencing with nature was a marvelous time to go there, with May 1 being a

particularly popular public holiday when everybody wanted to leave the towns to drive out to pick wild flowers in the country. They swarmed over the hills around Knossos, wearing garlands of flowers to wear, hang on bicycle handlebars or decorate car bonnets.

A number of tour operators arrange special holidays for flower-lovers, combining them with visits to ancient sites, sometimes with bird-watching or tours of national parks. Peregrine Holidays, part of Town and Gown of Oxford, have several imaginative tours in Crete, the Peloponnese, Macedonia and northern Greece, accompanied by expert lecturers. Prices are from about £330 for a fortnight, with half board.

Corfu Villas are running Wild Flower Tours to Corfu in late April and in May, costing about £150 for a week at the delightful Cavallieri Hotel in Corfu town, and escorted by a local expert. Corfu's flora includes many beautiful terrestrial orchids.

Fairways and Swinford, whose more adventurous tours include Himalayan trekking and flower hunting in Nepal and Kashmir, are running spring and autumn tours in Greece and to Crete—costing from about £400 for two weeks. The former includes the chance to go plant-hunting on Mount Parnassus.

Cox and King's Special Interest holidays (14 days from about £250) include two spring tours to Corfu (where more than 130 species of birds were sighted last year) "to catch the spring migration", as well as a special bird tour of Crete, Hays and Jarvis operate The Wild Places of Greece tours, in association with the World Wildlife Fund. They operate 12-day tours for about £310. One includes a visit to the well-wooded, richly Park in western Macedonia, famous for its pelicans and aquatic bird populations. Inhabitants of the mountains and forests near by include wolves, jackals and brown bears, which should make that tour exciting.

Erna Low lists 14-day holidays at the superbly restored village houses of Koutsoumari, in southern Crete, which would make an ideal base for studying botany, bird-watching or too. We found early May just commencing with nature was a marvelous time to go there, with May 1 being a

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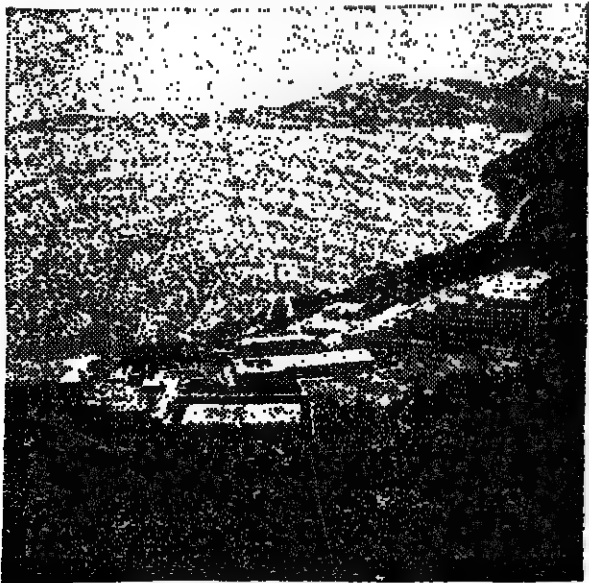
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Half board is a gourmet's licence

by Diana Patt

Eating out in Greece can take an evening or an hour, can be a delight or a disaster.

Among the most memorable for me have been those eaten in the open air. One such was on the island of Hydra, when half a dozen local people joined us to eat young lamb, basted with lemon and rosemary and turned on a spit. While we waited for it to cook we ate taramasalata and houmous, mopped up with hunks of bread and accompanied by retsina from a cask in the proprietor's cellar.

This wine was at the same time gentler and more insidious than the usual bottled variety. Another unforgettable occasion was at a quayside taverna at Ierá petra, on Crete, where we

were served baked red mullet spiked with herbs and a mixed Greek salad topped with crumbly feta cheese and olives.

Sadly, the less memorable meals have been those table d'hôte menus offered in the vast majority of hotels, which tend to be regimented and without choice.

Notices fixed to bedroom doors in Greek hotels announce firmly the specified amounts of bread, butter and jam must be submitted at breakfast. This same regimentation occurs in the menus of all but the A category and de luxe hotels. The lack of choice is as depressing as the pallid imitation of a "western" bill of fare. Soup, omelettes and chicken predominated.

On Corfu at the Hotel Potomaki (B category) in Benitses, the main dish was sometimes served with potatoes as well as rice. Were the potatoes statutory, like the butter, we wondered? My children, who began by quite liking stuffed peppers and tomatoes, ended up with an aversion they have never lost, refusing to eat either vegetable ever since.

A package holiday to Crete last May to a B category hotel in Agios Nikolaos was tremendous value at £104 each for half board for two weeks. The hotel was extremely comfortable, the staff courteous, the food quite well cooked, but bland and disappointingly un-Greek. Many of the dishes were concocted ones using minced meat, and desserts were often tasteless apples rather than the local—the fresh fruit which looks like an apricot tastes like a lychee and grows everywhere on the island.

We were grateful we had only half-board so that we

could justify eating outside the hotel at least once a day. In the evening we explored the many tavernas in the resort and near by. The swordfish or octopus were always sea fresh and perfectly cooked to order. Being invited to look for the fish of one's choice in the glass-walled refrigerator was part of the enjoyment.

During the day we explored the island on mopeds—car hire at £12 a day was out. Acession—and found villages off the tourist track where the proprietor of the one bar might cook us an omelette or where, as happened in one place, the establishment was too poor to have any food for chance visitors and we were offered wine, tinned sardines and hard-baked bread, which they soaked under the tap so that it tasted of porridge.

We did discover one Cretan hotel where the food was fabulous. This was the de luxe Minoas Beach, in an incomparable flower garden setting bounded by the rocky, indented coastline. The Sunday buffet lunch at £3 a head offered a princely selection of dozens of hot and cold dishes, a variety of salads, the whole rounded off with goat's milk yoghurt and local honey.

A spokesman for the National Tourist Organization of Greece explains that the hotels below category A "provide what the tour operators want" and hotels and tavernas alike conform to the standards and prices set out and monitored by a section of the tourist police, the *Agoronomiki*. How sad that the "safe" food approved for the package tourist turns out to be a pale shadow of what is offered à la carte and at no greater cost in the tavernas.

are usually a lot lower than at home. Salónica, Greece's second largest city and capital of Macedonia, is the centre for many conferences, and it is a pity that the fame of its long-established International Trade Fair often causes its own attractions to be neglected. We found it had some fine hotels, very lively night life, as many good restaurants and tavernas as Athens, if not more, and magnificent Byzantine churches.

"Corfu has not yet lost all of its bucolic innocence", the official Greek conference handbook says. It may soon be in danger of doing so, for Mr Peter Analysis, director of the Greek National Tourist Office in London, tells me that a number of conferences have been held there, since some large new hotels, like the Corfu Hilton, the Chandra, and the Xania Palace, were opened.

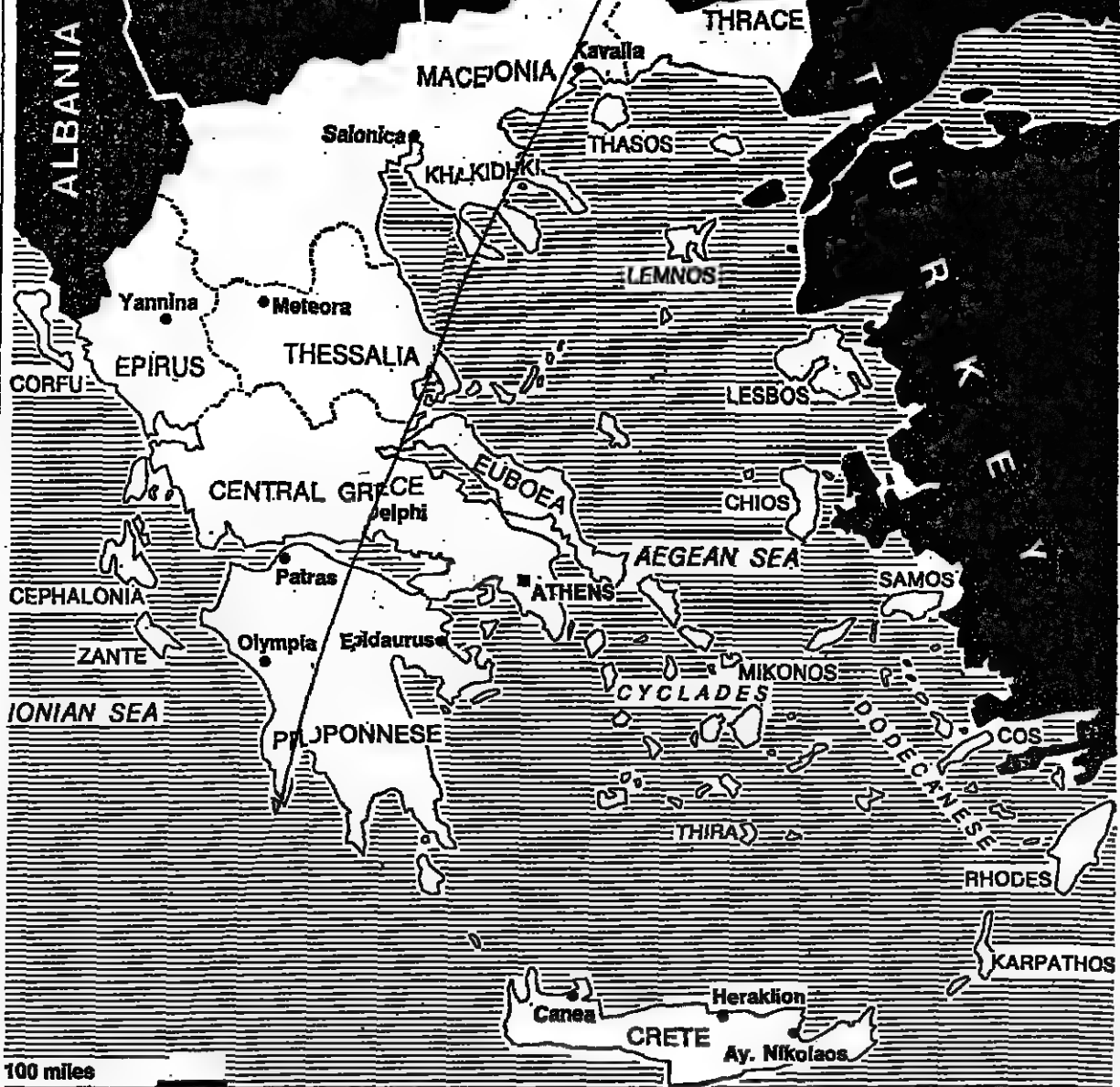
Rhodes, with its exceptionally mild climate, is another increasingly popular conference centre, and it has plenty of suitable hotels. Crete is so rich in ancient sites and the variety of its wonderful landscape that it could prove too distracting for conference delegates.

For a cultural congress however, the island would be superb, and in late autumn, winter or very early spring the Elounda Beach Hotel, near Agios Nikolaos, could accommodate a fairly small one most comfortably. So could the newer Xania Beach, near the former capital, Xania.

beautiful, and it offers the chance to combine business and city pleasures with visits to the ancient sites or the islands. In the past few years, as the number of suitable hotels and facilities has increased, Greece has attracted a much greater number of international conferences. These ranged from the International Dental Federation, attended by 7,000 and held in Athens, to small cultural conferences. They also included the Esperanto Congress, which 2,000 people attended at the Pantios Graduate School, one of a number of non-residential centres in the same city.

Athens has a growing list of hotels with conference installations, headed by the splendidly equipped Hilton, where the ABTA meeting was held. Many others, notably the elegant Grand Bretagne in Constitution Square, have excellent conference and entertaining rooms. For the many delegates who cannot afford the top hotels, there is a wide selection of pleasant and comfortable, at more modest prices. Conference organisers should avoid choosing those which are not within easy distance of their meeting place, because traffic jams and shortages of taxis in rush hours can cause considerable difficulties.

For the British, it is comforting to note that prices of taxis, hotels, restaurants and drinks (apart from the obviously luxurious places)



Aiming to set an example

continued on page 1

The Government was investigating its installations for winter sports, including skiing, though one cannot always rely on finding snow.

Tour operators are encouraged to bring in winter parties through the winter sports, including skiing, though one cannot always rely on finding snow.

One source of physical culture, to impose restrictions on the entry of under-18s, is likely to disappear this year as the stable types of visitors, tourists who spend nights

on public beaches. "This will be forbidden", Mr Kallis said. "We do not really mind them, but they are becoming a public health hazard. They can go and pitch their tents at fully organised camping sites."

The unsightly spectacle of promiscuous nudity that had become the trade mark of the island of Mikonos, also comes to an end this summer, the minister said. "We are either going to ban it altogether, or confine the nudists to a secluded area so they cannot offend the taste of other tourists", he said.

It was not possible, of course, to impose restrictions on the entry of under-18s, is likely to disappear this year as the stable types of visitors, tourists who spend nights

choose your tourists". Professor Daskalakis said, "We are parties to several international treaties which prohibit such discrimination and we observe them faithfully."

Mr Tzannis Tzanetakis, secretary general of the tourist organization, says that a target figure such as 6,500,000 tourists a year would create some misleading impressions. Six and a half million tourists staying on an average of 12 days means an average of 200,000 tourists daily, although they are not evenly spread throughout the year. However, this means an average of 2.2 per cent of the total population. I think we can hold the people there if

and 6 per cent without fear." For an economy like Greece's which is plagued by a permanent foreign trade deficit, tourism is a vital source of foreign exchange. It was second to shipping in 1976.

"We earned last year \$830m and the outlook is that the thousand million mark will be exceeded within a year or so", Mr Kallis said. "But what is more important is that more tourists are coming to tourism we are developing areas where other economic development would be possible such as islands and mountain areas which had been losing their population fast because of the depopulation of the islands. I think we can hold the people there if

Network of ferries

by John Carter

Of all holiday memories, none is more evocative than that of a sun-drenched island approached from a calm sea. White houses dazzle the eye as a village sprawls down a hillside, among the olive trees, towards a waterfront busy with small craft. Closer one sees the bright awnings of quayside restaurants, spilling tables and chairs out on to a wide promenade. For many that scene, that memory, spells out the appeal of Greece, whose islands beckon from its wine dark sea.

Cruising around those Greek islands has long been a popular form of holiday-making, and may be enjoyed in various ways. For the independent traveller, a network of ferries serves the islands from Piraeus, though the purist would argue that travel on one of these is not cruising in the strict sense of the word.

For such visitors a round trip ticket on the 1,100 ton Saronic Star takes them on a day-long journey to Aegina, Hydra and Poros for £13.50, including lunch on board. Though the ship operates as a regular daily ferry, to call at these Saronic Gulf islands must qualify for the cruise label, especially as one may remain on one of the islands for a few days before rejoining the vessel

on its daily call, the ticket retaining its validity.

Most people equate cruising with larger vessels, and for them a number of journeys are available in 1977, as a glance through the brochures will show. The 23,000 ton Navarino of Karageorgis Lines sails on alternate Saturdays from Venice on a two-week voyage to Corfu, Mikonos and Delos, Patmos, Rhodes, Crete and Santorini, among other ports.

That is cruising in the grander style, as are the voyages of Costa Line's Andrea C, running a series of 12-day cruises to Delos, Mikonos, Rhodes, Santorini and Corfu, and the Chandra vessel Florita which calls at Corfu, Crete and Rhodes on its week-long journeys. As with Navarino, these two vessels sail from Venice, and are available as fly/cruise holidays.

A cabin for two on the Navarino costs from £550 each (cruise alone) or £666 (fly/cruise). Equivalent costs on the Andrea C range from £449 or £525 respectively, and on the Florita from £227 or £252.

There are other liners sailing among the Greek islands this year, and any competent travel agent should be able to provide details. He would certainly know about the programme offered by Swans Hellenic Cruises on Orpheus. These cruises have been enormously popular for many years, and passengers have the benefit of expert lecturers on board.

Something to talk about

by Joyce Rackham

On an unseasonably rainy night at the end of last October, with more than 2,000 delegates and guests at the twenty-sixth convention of the Association of British Travel Agents (ABTA), we drove to Microlimano, the yachting harbour of Athens, for a remarkable party given by the Greek National Tourist Organization.

They had taken over nearly all the fish restaurants and tavernas lining the quayside, and we could choose to dine where we liked. It was great fun, and a welcome change from the boring banquets, with "safe" international food, too often inflicted on conference guests.

The Greeks' ability to entertain with their traditional hospitality and panache, and to show originality, was further proved the next day, after the opening ceremony of the convention. Instead of the usual formal luncheon, we were all taken to the port of Piraeus for a magnificent buffet served on board cruise ships of the Karageorgis, Sun Hellenic Mediterranean and Epirioid lines, as guests of the shipowners. Several hundred delegates and guests were also taken on cruises round the islands on those vessels after the convention ended.

Athens must be one of the most agreeable cities in which to hold a conference. Its climate and setting are

beautiful, and it offers the chance to combine business and city pleasures with visits to the ancient sites or the islands.

In the past few years, as the number of suitable hotels and facilities has increased, Greece has attracted a much greater number of international conferences. These ranged from the International Dental Federation, attended by 7,000 and held in Athens, to small cultural conferences. They also included the Esperanto Congress, which 2,000 people attended at the Pantios Graduate School, one of a number of non-residential centres in the same city.

Athens has a growing list of hotels with conference installations, headed by the splendidly equipped Hilton, where the ABTA meeting was held.

Many others, notably the elegant Grand Bretagne in Constitution Square, have excellent conference and entertaining rooms. For the many delegates who cannot afford the top hotels, there is a wide selection of pleasant and comfortable, at more modest prices. Conference organisers should avoid choosing those which are not within easy distance of their meeting place, because traffic jams and shortages of taxis in rush hours can cause considerable difficulties.

For the British, it is comforting to note that prices of taxis, hotels, restaurants and drinks (apart from the obviously luxurious places)

are usually a lot lower than at home. Salónica, Greece's second largest city and capital of Macedonia, is the centre for many conferences, and it is a pity that the fame of its long-established International Trade Fair often causes its own attractions to be neglected. We found it had some fine hotels, very lively night life, as many good restaurants and tavernas as Athens, if not more, and magnificent Byzantine churches.

"Corfu has not yet lost all of its bucolic innocence", the official Greek conference handbook says. It may soon be in danger of doing so, for Mr Peter Analysis, director of the Greek National Tourist Office in London, tells me that a number of conferences have been held there, since some large new hotels, like the Corfu Hilton, the Chandra, and the Xania Palace, were opened.

Rhodes, with its exceptionally mild climate, is another increasingly popular conference centre, and it has plenty of suitable hotels. Crete is so rich in ancient sites and the variety of its wonderful landscape that it could prove too distracting for conference delegates.

For a cultural congress however, the island would be superb, and in late autumn, winter or very early spring the Elounda Beach Hotel, near Agios Nikolaos, could accommodate a fairly small one most comfortably. So could the newer Xania Beach, near the former capital, Xania.

One source of physical culture, to impose restrictions on the entry of under-18s, is likely to disappear this year as the stable types of visitors, tourists who spend nights

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THE BREAKDOWN IN MOSCOW

It will take a little time to digest the implications of the Soviet refusal to Mr Vance in Moscow, but the first reaction need not be too pessimistic. Mr Vance delivered to the Russians, almost without warning, a package of far-reaching proposals on arms control which could not be digested immediately. Therefore the choice for the Russians was between taking note of the proposals in an open-minded and conciliatory manner or rejecting them out of hand. That they chose the second alternative is not surprising or even, at this stage, particularly disturbing.

In the first place they are anxious to demonstrate to President Carter that his stand on human rights is jeopardizing all aspects of détente. They would like to persuade him that he cannot negotiate effectively on arms control or on anything else without muting his statements on the subject. They will have been reinforced in their attitude by his decision, shortly before Mr Vance's talks, to ask for more money for broadcasts to the Soviet Union and Eastern Europe by Radio Liberty and Radio Free Europe. Hence it suits them to be less than immediately cooperative at this moment.

Secondly, the arms control package itself confronts them with serious difficulties, and they may feel they are more likely to get something better if they do not even accept it as a basis for discussion.

Mr Carter has stated a lot on progress in this field so they know he will feel under pressure to try again. There is still a little time in hand as the Salt I agreement does not run out until October.

If this is how the Russians

are thinking there will soon be signals on the way to Washington and negotiations will get underway. But the difficulties should not be underestimated. In crude outline what has happened is this. The Salt I agreement was supposed to establish a rough balance by allowing the Russians more missiles to compensate for America's lead in multiple warheads, but the Russians fairly rapidly developed their own multiple warheads, so Salt I, which was intended to deal with this by specifying how many missiles on each side could be equipped with multiple warheads. This agreement was also overtaken by technology. The Cruise missile appeared on the scene and upset all existing categories by being a flying bomb of extraordinary versatility, capable of being launched from land, sea or air with a variety of warheads, ranges and roles.

The Russians wanted the Cruise missile included in Salt II. The Americans refused. In January, 1976, Dr Kissinger offered to impose restraints on it but when he returned to Washington it emerged that he had not fully understood the problems involved (he was not the only one), so three months later the Americans suggested signing Salt II on the original basis and dealing later with the Cruise missile. The Russians rejected this and they have now rejected roughly the same offer again, for it was Mr Vance's second preference.

But Mr Vance's first preference was new. It involved deep cuts in missiles coupled with restraints on Cruise missiles. For both sides this raises political

as well as military issues. Mr Carter can scarcely win support for restraints on a weapon as valuable as the Cruise missile without showing something very substantial in return. This is why he needs deep cuts in missiles. But the Russians, much as they would like to restrain the Cruise missile, would find it enormously difficult to reduce the number of their missiles. They have always put great faith in numbers, and they have only relatively recently managed to match the Americans in a way that they see as having earned them the respect due to a great power. It is almost inconceivable that Mr Brezhnev, nearing the end of his reign and presiding over a somewhat unstable coalition, could persuade either his generals or his political colleagues actually to dismantle expensive, newly acquired weaponry.

Mr Brezhnev's rejection of the American proposals therefore expresses something far more substantial than a fit of pique over human rights. But with luck it probably also expresses something less than total refusal to negotiate on arms control. Although it is as clear to the Russians as to everyone else that arms control alone will not solve everything, or even stop all aspects of the arms race, they must see that they have a real interest in trying for an agreement. They know that Mr Carter is now in a very strong position in Washington, and that if there is no agreement he could easily get congressional support for a very substantial increase in the American defence effort. They must also know that if they challenge him to an all-out arms race he will win.

Mr Healey's Budget

From Mr J. Mortimer Gountry
Sir, The Chancellor in his Budget speech yesterday (March 29) said: "I am particularly concerned about elderly people who now find themselves liable to the surcharge on the income from savings which are quite modest in modern terms." Despite that, he proposes to make quite paltry concessions (in modern terms).

Is it not high time that the surcharge should be completely removed for, at least, those over 65? If that cannot be done, the surcharge should be removed from income from money saved out of taxed earnings. All investment income is today called "Unearned income". I would concede that income from inherited wealth is possibly unearned, but income from wealth acquired out of taxed earnings is surely well-earned!

Yours faithfully,
J. MORTIMER GOUNTRY,
White Cottage,
Leaholm,
Whitby,
Yorkshire,
March 30.

From the Reverend M. E. Bennett
Sir, Since the increased child benefit was awarded many months ago and is not part of the recent budget, would the Chancellor kindly explain how the reductions in income tax will benefit those of us with families who did not pay any tax before the budget was passed but who will now have to pay increased prices as a result of the switch to indirect taxation?

Yours faithfully,
M. E. BENNETT,
Swindon Rectory,
Cheltenham,
Gloucestershire.

From Mr S. H. Cooke
Sir, If I correctly understand the tables you publish today, it appears that a married couple with no child-

ren and an earned income above £7,000 p.a. will receive greater benefits from the Budget proposals than a married couple with a similar income and two children under 11 after taking into account child benefits. The converse would appear to be the case for incomes below £7,000 p.a.

Is this to be called socio-fiscal engineering?

Yours faithfully,
S. H. COOKE,
10 Lincoln's Inn Fields, WC2,
March 30.

From Mr David Eric
Sir, Many of us who live and work in the rural counties are unimpressed by Mr Healey's pious little homily justifying his increased tax burdens on the "private motorist" on conservation grounds. Since we have no choice but to continue to motor to work, we must grudgingly hand him yet another slice of our hard earned pay to spend as he thinks fit.

He tells us that "petrol will still be cheaper in Britain than in nearly all other countries of the European Community". This may be true in nominal terms, but where else do they have to work so many hours to earn the cash to fill up their tank?

DAVID ERIC,
15 St Peters Road,
Cirencester,
Gloucestershire,
March 30.

From Mrs N. Tollenaar
Sir, The Chancellor of the Exchequer puts an additional tax on cigarettes. No further tax on pipe tobacco which plays an important part in the life of many retired people.

Is this not blatant sex discrimination?

Faithfully,
N. TOLLENAAR,
74 Chester Square, SW1.

The state of prisons

From Mr Richard S. A. Berman
Sir, Mr B. D. Widdington wrote as Chairman of the Prison and Borstal Governors (The Times, March 28) when commenting on Peter Godfrey's article (March 18) about the state of prisons today.

Internal prison censorship precludes written replies to prisoners but they have a right to be represented by a spokesman just as prison officers may be supported by recent press coverage and the rancour caused by the gelding of explicit replies to the media. To express general prisoners' feelings upon my release from a sentence that I completed last month, I speak for those prisoners who are neither politically motivated nor campaigned for by the diverse lobby groups such as "ProP".

It is a sad fact that a searching inquiry must be held to establish facts surrounding allegations from both sides concerned in prison disputes, we are wary of statements such as Mr Widdington's assertion that "no official version of events can be given to the public" has been established. The public at large regards most convicted criminals as perjurers and consequently any element of bias in favour of prison authorities in an "official report" would be far more readily accepted than a bias favouring prisoners in a report compiled by a group who have some partisan link with those prisoners. The inference of his statement is that the truth has not been established and prisoners generally expect this to be followed by considerable delay and a subsequent suppression or "whitewash" by the authorities.

Prisoners would also have to agree that readers should not believe it necessary for complaints to be smuggled out of prisons on a fair leaky machine. Do exist for prisoners to complain but the channels are so numerous and circuitous and the mechanism so deliberately complicated that memories have often become hazy or have faded completely by the time the executive level has been reached.

Rules like the one stating

"prisoners cannot be punished for making allegations against prison staff, even when the allegations are proved not to be true" have an insidious air about them. Applying for the relevant request form for an interview with a senior officer invariably creates a visible air of tension between prisoner and junior officer. Discrepancy with the first interview, followed by an application to see someone "at a higher level", invariably creates an air of open hostility and often results in fines such as "troublemaker" from officers to prisoners. Admittedly punishment is only meted out to those offenders who persistently and maliciously abuse the complaints procedure, but the covert unpleasantness and petty application of rigid regulations by irritated prison officers act far more as a deterrent than any prescribed punishment, and the consequences are generally pathetic attitudes to grievances by the prisoners themselves. After all—overcrowded cells, plain food and deprivation of liberty are enough for most people without the added penalty of ridicule and actual harassment. Prisoners must always remember a quotation from Home Office form 1328 that runs "The privileges that each prisoner enjoys, and these include letters and visits" etc. Very ambiguous, and frighteningly exposed to abuse when interpreted literally by an aggrieved officer.

Finally—readers should be informed that "Rule 43" is often invoked and certain categories of prisoners are segregated and kept in solitary confinement for their own protection. These prisoners are often child murderers or molesters, sexual deviants and psychopaths or terrorists. Perhaps someone can tell me why these people are often given a thorough and brutal beating before Rule 43 is applied—when everybody concerned in the prisons knows, directly upon admission, that the feelings of revulsion against this particular criminal are expressed violently by established tradition.

Yours faithfully,
RICHARD S. A. BERMAN,
29 Carlingford Road,
Hamstead, NW3,
March 28.

Conflict at Westminster

From Mr Jasper Rothman
Sir, I read the leading article "The Members of the Club" in your issue of today (March 25) with keen interest, but some dismay since it seemed to me to walk all round the central problem without actually mentioning it.

You say, correctly, that the system of elected Members of Parliament has lost the confidence of the nation, but conclude that British socialism is such a mess that only socialism can run it, and appear to think that there is no effective alternative without saying why.

The reason is clear to any straight-thinking person and to many who proceed by instinct rather than analysis. It is that the trade union movement, which started as a band of brothers devoted to redressing injustice, has (as always happens) become increasingly corrupted by increasing power, to a point at which it is now the biggest single threat to parliamentary government as painfully evolved from Magna Carta through the Star Chamber, Ship Money, the Lord Protector, the Restoration, the Reform Bill and finally Universal Suffrage.

It has become an estate, which because it overtook purposes to represent something called a class cannot by definition be a reconciling, but only a divisive force in national terms, and with a few exceptions has tended to be led by men with an inordinate sense and knowledge of history except that of their own movement and of the profound subterranean forces which make and unmake nations.

Sir Harold Wilson perceived this and attempted through "In Place of Strife" to curb trade union power, but was brought to his knees, because he is essentially a party politician, by the fact that the Labour Party is financed by the trade unions.

Mr Heath, who perceived the same truth, was in effect defeated by outbreaks of physical violence,

and the threat of more, which the police could not overcome by calling in the Armed Forces of the Crown.

Mr Callaghan, behind that bland exterior a greayer, wittier head than either, is going about it in a different way, by saying one thing and doing the opposite.

But what will the trade unions do when they realize what he is up to? If they elect to confront him, and assert their primacy, he must either curb them or be smashed.

That he will seek to avoid this choice I am sure; but that it is unavoidable I have no doubt.

The conflict is not between this or that party at Westminster. It is between Westminster and Transport House.

I am your obedient servant,
JASPER ROTHMAN,
Craig House,
Wall, Northumberland.

From Mr E. H. Kronheimer
Sir, John Stokes, MP (March 31) asks to be told what a "moderate" socialist (his inverted commas) "stands for" (mine). Is he for nationalizing this industry and against nationalizing that one? Is he for or against picketing? And so on.

Perhaps a moderate may be defined as someone who is for a particular act of nationalization (or picketing) when he thinks that, on balance, the arguments are in its favour, against it when he thinks they are not.

This certainly suggests that moderate socialists and moderate Liberals might have more in common with each other, and indeed with moderate conservatives—than with the absolutists of their various parties who require no expenditure of thought to know—and be known to know—that they are for and what they are against.

Yours faithfully,
ERWIN KRONHEIMER,
Birkbeck College,
Malet Street, WC1.

The future of broadcasting

From Mr M. Poole
Sir, To Milton Shulman newspapers seem unperturbed, indifferent or insensitive to the prospect of a fourth television channel financed from advertising (March 30).

He rightly observes that the mere presence of a fourth channel will not expand total expenditure on advertising. Yet he makes two assumptions: that the channel will automatically attract its necessary finance, and that this revenue will be drawn solely from newspapers. Both assumptions are questionable. He omits an essential point: the mere existence of a fourth channel will not expand total audiences for television.

A fourth channel will create competition for the existing ITV network, whose audience inevitably will be diluted and therefore relatively more expensive for the advertisers. The resistance to ITV 2 by the Newspaper Publishers Association in their submission to Annan was not based on "a right to be protected against a powerful commercial monopoly". Newspapers do not claim such a right, nor should they. What the NPA has argued is that two commercial channels would fail financially, and the public purse would be used to prop them up. Such a position would create unfair and genuinely unfair competition for the press.

Some independent contractors, particularly the smaller ones, have more to fear from a second channel than newspapers. The press is used to competition from radio, and used to a precarious living. Television is used to neither.

Yours faithfully,
MICHAEL POOLE,
22 Castle Green,
Weybridge, Surrey,
March 31.

From Mr Gerald Nethercot
Sir, In the welter of confused thinking which is likely to result from the Annan Committee report one issue of importance may be suggested by the inevitably major discussion regarding the structure of television: that issue is local radio.

Local radio was set up by the BBC in 1967-68 with eight pioneer stations which, although autonomous, had a clear objective. This objective was to provide their local communities with an all-round service of programmes with an emphasis on news, topicality, discussion of local issues, and, not least, carefully devised educational output of local interest; in other words to engender a sense of involvement in these communities. In this, to the surprise of many, they

Atrocities in Cambodia

From Dr Jonathan Mirsky
Sir, Some time ago when Sihanouk was in Cambodia, I saw this country, Bernard Levin went to great lengths to assert that the basic message was: tell the truth. Since Mr Levin (March 30) is widely appreciated for not mincing words he will welcome a few on the matter of Cambodia.

I want to be clear about my position. What has happened in Cambodia since "liberation" is horrible. Full stop.

Mr Levin's own position, however, is badly flawed. Did he ever condemn American bombing in Cambodia? Or did he welcome and encourage it? He speaks of how pleasant Cambodia used to be. Indeed it was. I was there during the Sihanouk period, which American action brought to a catastrophic finale, an action praised by Mr Levin.

It is, moreover, misinformed and, worse, misinforming about previous critics of the war. I will name two distinguished ones: Jean Lacouture, the French authority on Indochina, and Anthony Lewis, a political columnist of The New York Times. Both men, when they opposed the war for years, and now, with equal vigour, they have striven to expose the situation as it is, thus showing precisely the capacity to speak the whole truth which Mr Levin calls for but does not.

Mr Levin conveniently provided both views in a recent column: "United States policy helped bring disaster on Cambodia and Lacouture knows it. Today's reality, he says, should shame 'those in the Nixon Administration' who bombed and laid waste Cambodia, undermining Sihanouk's regime and refusing to pursue negotiations with him in Peking, making an unmitigated

succeeded. Whatever "organizational fog" Annan may accuse the BBC of, this was quite clear.

Without going into the merits or demerits of commercial intervention in this field of broadcasting, one is left with an impression of "fog" inside the Committee about the function and structure of BBC local radio. To recommend the hiving-off of local stations from their parent organization displays a lack of knowledge of the local scene. There is a two-way traffic in news, and other programmes, in background information and ideas—not to mention technical services—without which local radio stations could not provide a proper service. And the national networks would surely miss grass roots information. This is the devolution which some of us sought—the "escape from over-Londonization", to quote the late Lord Simon of Wythenshawe. And it has worked admirably.

To suggest, as Annan does, the setting up of a separate local radio authority (especially if financed by commercial interests, with all the problems that would bring) is to lose all sense of realism. I write as one with direct experience in both network and local broadcasting, and, bluntly, looked at the position of local radio with astonishment. The Committee lacked sufficient injection of professional knowledge among its members.

The setting up of an independent local radio authority will not in any way improve the quality or coverage of programme output for local communities. The "back-up" will simply not be there in terms of facilities, whether programme feeding, technical resources or research information. It is, as I said, a matter of logistics which works both ways.

The Annan report presents the local radio advisory councils with the "un-fogged" duty, in the interests of the communities they serve, to oppose this part of Annan tooth and nail. They must, or they will show themselves false to the principles of local radio which they accepted by becoming members of such councils. They must alert local opinion in a way which they can then present strongly to the Government. They must not wait for the White Paper—that would be too late, and by acting now they can influence the policy of the White Paper.

Yours faithfully,
GERALD NETHERCOT, Former Manager, BBC Radio Nottingham, David House, St George's Street, Naxos, Malta, GC, March 25.

Khmer Rouge victory all the more likely. But he rightly sees that as no reason for silence about Cambodia today.

When is Mr Levin going to break his silence about Cambodia today?

Yours faithfully,
JONATHAN MIRSKY,
21 Priory Grove,
Stockwell, SW8,
March 30.

From Dr Terry Gough
Sir, I refer to Bernard Levin's article on the Cambodian People (March 30), and, like him, find the facts so terrible that we wish they were not true. Working in a refugee camp in Thailand we have first hand accounts of the barbaric acts of the Khmer Rouge, so consistently ignored by the free world. Even the visitation of Khmer Rouge soldiers on to Thai soil one night in January, to extend the terror they have been inflicting on their own people, was only briefly reported in a few newspapers. The Bangkok Post has published a booklet of this event with illustrations as hideous as I have tried to forget the existence of my own copy. It shows the mutilated bodies of children and their parents, scattered about the fields near their homes.

We fear that although the peoples and governments of the free world may look on, they do not wish to see. If we delay too long, there may be nothing left to see.

Yours faithfully,
TERRY GOUGH,
Hon Secretary,
Project Vietnam Orphans,
10 Frailey Hill,
Woking,
Surrey,
March 29.

'The Age of Uncertainty'

From Sir Keith Joseph, MP for Leeds, NE (Conservative)
Sir, Professor Kenneth Galbraith, currently delivering the 13 one-hour lectures in The Age of Uncertainty BBC television series, is a polemicist, and propagandist for views he has held consistently over many years. The BBC, however, is required to retain a balance in matters of political sensitivity and for that reason its choice of lecturer and intellectual guide through the corridors of economic history is totally unsuitable.

Had the BBC set out to ensure strict impartiality it could have invited some respected but more dispassionate figure than Professor Galbraith to give a balanced account of the various interpretations of the subject. Alternatively it could have asked several commentators, exponents of different interpretations, Professor Galbraith among them, to contribute.

Instead the BBC has allowed this long and expensive series to become the vehicle for Professor Galbraith's highly idiosyncratic views and in so doing has given Galbraith perhaps the biggest audience known to any economist in history, quite apart from any financial reward.

For the benefit of those not familiar with political economy it should be stressed that Professor Galbraith's opinions by no means command universal respect among professional economists; they certainly do not represent a consensus among those interested in the subject. Many people, myself included, believe that Galbraith's advocacy of centralized economic decision-making is based on faulty analysis and, if accepted by government, leads necessarily to impoverishment and despotism.

This last consequence may not be as dear to Professor Galbraith who is on record as saying that he is not much interested in freedom ("I am not particular about freedom"). He has also said that he sees no great difference between freedom in the West and freedom in the Soviet bloc, between Communist economies and market economies. He expressed these views explicitly in a long interview published in the influential West German newspaper, Die Zeit, July 5, 1968, which I have before me.

Yours faithfully,
KEITH JOSEPH,
House of Commons,
March 22.

Hawthorn's churches

From the Rector of Limehouse
Sir, Paul Overy's "Hawthorn's Neglected Churches" (The Times, March 29) describes St Anne's Church, Limehouse, as "tattered and difficult to get into". In May, 1975, he said it was "locked and apparently unloved".

Tattered? No. Unloved? No. Difficult to get into? It depends how hard you try. We are open daily, and quite a lot on Sundays, at the times clearly shown outside; experimentally, we have begun to open on Fridays (not April 8 or 15) all day.

Failing all that, a great many individuals and groups still manage to get in, by first phoning 01-987 1502, or taking their chance at the Rectory in Newell Street. Yours faithfully,
CHRISTOPHER IDLE,
Limehouse Rectory,
5 Newell Street, E14,
March 23.

CAN THE LIBERALS BE RELIED ON?

The Liberals are in some danger of making fools of themselves in their opposition to the Budget proposals to increase the duty on petrol and cars. As the Conservatives and the other smaller parties take the same view, the Government might be defeated on this part of the Budget if the Liberals joined in. That would not bring the Government down, nor would it infringe the letter of the Lib-Lab agreement. As Mr Steel pointed out yesterday, that does not require the Liberals to support every detail of Government policy. The Liberals would simply be providing a splendid example of how to strike a bargain and then not make it work.

Having agreed to sustain the Government in office, they usually want to influence policy. They are determined not to be taken for granted. They are ready, even eager, to throw their weight around. That is fair enough, but they had better be careful where they do it. What they are objecting to now is not a piece of socialist extremism—one would have to be a very

ardent motorist indeed to confuse that with a preference for getting money out of a higher tax on petrol rather than VAT. They are seeking to stop the Chancellor from pursuing the very strategy that they favour themselves, but by slightly different means. They too want to shift the balance from direct to indirect taxation, but they would like to see the extra burden put on one indirect tax rather than another.

This might be represented as just the kind of minor point on which it is reasonable for Parliament to impose its wishes on the Government without jeopardizing the Chancellor's economic strategy. But in any Budget one detail is often linked with another. So it is with this one. If the Government were defeated on this question, they would have several options. One is to forgo that portion of revenue and to allow an additional £450 million to be added to the Public Sector Borrowing Requirement, with all the inflationary consequences. Another is to reduce the proposed cuts in income tax by that amount, which would be contrary to the basic strategy

that both ministers and the Liberals wish to pursue. The third option is to raise the revenue in a different way—reverting to a flat 10 per cent VAT is the Liberal nostrum. But that would entail a larger increase in the cost of living index and complicate negotiations with the unions.

Each of these choices would therefore either change the strategy or introduce a new complication in applying it; and this would be done—not by persuasion, not even in the cut-and-thrust of the inter-party dialogue, but by joining the Government's opponents to defeat it in the House. That sort of conduct would make a coherent strategy impossible. The Liberals should certainly not become Mr Callaghan's sheep; but a parliamentary alliance of this nature cannot work if one party rejects the unpopular parts of a policy or takes the chance to impose the wishes of any special interest it favours. If this is how the Liberals are going to behave they will make the Government's task even harder, and they will look very silly themselves.

THE LOST LEADERS OF THE TREASURY

In their more reflective moments, Treasury men sometimes recall the definition of the senior civil servant attributed to their former colleague, Sir Thomas Padmore. "Permanent politicians" was how he described the breed. When two of the Treasury's top five permanent politicians resign prematurely within a month, it is clearly a matter of moment. Lady Bracknell, had she deigned to take note of civil servants, might have remarked that to lose one permanent secretary might be dismissed as unfortunate, but to lose two looked like carelessness.

Mr Alan Lord's departure for Dunlop sprang from an approach last autumn. Guinness Mahon made their bid for Sir Derek Mitchell in the summer. Both, naturally, have stressed that neither policy difference nor personal animosity precipitated their moves. Sir Derek at fifty-five has had a good run, passing through a golden sequence of jobs. Mr Lord at forty-seven is a different case. He had the prospect of the succession to Sir Douglas Wass as Head of the Treasury before him, unless a future Conservative Prime Minister or Chancellor objected on the ground that his past performance in guiding the industrial strategy disqualified him from presiding over their new approach.

Nineteen seventy-six has claim to be the *annus horribilis*, outstripping even 1947, in the postwar history of the Treasury. Both the management of the economy and the degree of ex-

ternal criticism imposed unprecedented strains on its officials. Sir Derek and Mr Lord, both independent-minded heavyweights, unlikely to break under pressure and, for that reason, men the public service can ill afford to lose, can claim that their responsibilities for overseas finance and the domestic economy have "bottomed out" with the securing of an IMF loan and a safety net for sterling. That may or may not be true, but the Treasury, the peak of most people's Civil Service career, obviously could no longer match the allure of working elsewhere.

There are additional, more definite reasons why the Treasury will not profit by a new and untried team, at official level, in the short-term. Its structural future is in doubt, with two former Prime Ministers, Sir Harold Wilson and Mr Heath, recommending its dismemberment into a Finance Ministry and a Budget and Manpower Department, and a Commons Select Committee currently pondering the matter. Mrs Thatcher is also suspected of reforming intentions to demonstrate a break with past policy and to suit her ministerial dispositions.

More important still, the prospect of a Conservative Government places a question-mark over the individuals at the top in Great George Street. Whitehall has not failed to notice the hostility felt by the present Conservative leadership towards the Treasury. Since Mr Heath's

U-turn in 1972, the country's central economic department has been required to behave in a dirigiste, interventionist fashion uncongenial to the declared attitudes of Mrs Thatcher and Sir Keith Joseph. Sir Derek Mitchell might have been spared a suspicion given his advocacy of greater spending cuts last December. But several of his colleagues are regarded by some senior Tories as having been a little more fervent in their advocacy of incomes policy, industrial strategy and the like, than their traditional political neutrality should have allowed.

The Treasury faces an uncertain future at both the official and ministerial level. The formidable Mr Leo Piatzky retires in two years' time from enforcing control over public spending. Sir Douglas Wass, only fifty-three but already almost four years in the post, is widely expected to take up his "big offer" outside in the next two or three years. Sir Douglas Allen, head of the Home Civil Service, will have to draw up a new promotion list including such former Treasury fliers as Mr Robert Armstrong at the Home Office, Sir Ian Bancroft at Environment and Mr Peter Baldwin at Transport.

For personnel and political reasons, steering the British economy, a precarious business at the best of times, is likely to be made more difficult for a year or two to come. It may suit the politicians and excite Fleet Street, but it cannot be good for the country.

Consumers and the EEC

From Dr William Roberts
Sir, In his letter published today (The Times, March 28) Dr Fragner challenges the ability of organizations like my own to represent the consumer interest. He writes in the context of a recent meeting in Brussels between the Bureau Européen des Unions de Consommateurs and the President of the Council of Agriculture Ministers where I and colleagues from German, French, Dutch and Belgian consumer

organizations, led by the director of the independent and influential Dutch organization, Consumentenbond, put the consumer case.

He criticizes us for claiming to represent all of Europe's 260 million consumers. This is a claim we have never made. All we would claim is that the cause we are championing is the consumer cause. To be more specific, we have asked the Council of Ministers to impose a freeze on the price of those farm products which are in structural surplus. To allow them to be increased, we argued, would stimulate

supply, restrict demand and cause even worse surpluses. It is self-evident that in pressing this case, the "consumer functionaries" as Dr Fragner unattractively labels them, are speaking for more than themselves. They are putting the case for all who stand to lose from unnecessarily high prices for basic foods—and a pretty fair case it is.

Yours faithfully,
WILLIAM ROBERTS,
Head of Public Affairs,
14 Buckingham Street, WC2,
March 28.

The Ombudsman must be seen to be on the people's side

On the tenth anniversary of the Ombudsman,

Sir Barnett Cocks argues

that the office should be an independent one

The devolution proposals which purport to strengthen democratic control over government activity in Scotland and Wales suggest a disturbingly casual approach. The Government White Paper on which the proposals are founded speaks in convincing terms of "the existing complaints machinery (the Ombudsman system)" as "an important protection for the citizen". The Government promises that comparable machinery to investigate complaints of maladministration in Scotland and Wales will be established by the devolution Bill. This is a misleading prospectus because, apart from the limited scope of the Health Service Commissioners and the Local Government Commissioners, there is, in fact, no Ombudsman to whom the individual citizen has access.

When the Bill for a Parliamentary Commissioner for Administration was introduced in 1966 by the then Leader of the House of Commons, Mr. Richard Crossman, he disclaimed any idea that the Government was surreptitiously copying the Scandinavian model. There was no question, he said, of bringing into the British constitution "the notion of the Ombudsman".

In Sweden and in other countries which have adopted its system the Ombudsman's duty is to investigate complaints by individuals outside Parliament against unjust or unfair actions by the agents of the state. In this country, the Parliamentary Commissioner for Administration is, as his title suggests, the servant of Parliament, only entitled to set at the request of a member, and not permitted to make inquiries into maladministration in government departments on his own account. The main control of executive actions by government departments is still provided by parliamentary questions, adjournment debates and committees of inquiry.

There has been no amendment of the parent Act setting up the office of Parliamentary Commissioner—an office which came into operation on

April 1, 1967—and there is nothing yet which can claim to be an effective and general ombudsman system in Britain. Dr. Roy Gregory wrote, in his recent study in depth of the United Kingdom's complaints organization, that "the logic of a Parliamentary Commissioner Scheme requires that MPs and only MPs should know of the Commissioner's functions and existence".

In practice the complaints machinery is even more restricted than the public is led to believe. The Parliamentary Commissioner is responsible solely for complaints referred to him by members of the House of Commons, and not by the often less politically committed members of the Lords.

Which members of the Commons are willing to invoke the services of the Parliamentary Commissioner? Their identities are not revealed, but as some four score members are also ministers in the Government, they can hardly be expected to indict the inefficiency of each other's departments of state. It follows that any grievances of their constituents will not normally be handed to the Parliamentary Commissioner to investigate. In consequence, several hundred thousand voters are deprived of their full democratic rights. These could only be restored by direct access to an Ombudsman, unhindered by the present subordination to members.

In his annual report for 1976, Sir Idwal Pugh revealed that he had advised 154 complainants with *prima facie* valid grievances to ask a member to refer their complaint back to him. Only 52 of these eventually reached him for investigation. What happened to the remainder?

The former Parliamentary Commissioner, Sir Alan Marre, in a report written on the eve of his retirement last year, bravely went so far as to express doubts on

"whether sufficient regard was being paid . . . to the convenience of members of the public". He added: "We have now and in prospect a series of 'Ombudsman' offices to which different methods of access are, or are to be, statutorily specified, and a member of the public with a composite complaint can be faced with considerable procedural problems in arranging for its complete investigation. There is provision for a measure of coordination between some of the Offices of different Commissioners."

He has only lifted a corner of the curtain which hides the complexity. There is at present a strong team of Commissioners for various kinds of complaint set up to harass not only government departments but other Commissioners engaged in various executive activities. The origins of the confusion may be found in hasty legislation to which is often added a designedly helpful clause for the protection of the citizen. In this way, much modern bureaucracy, approved by diverse Acts of Parliament, is erected by compartments which might otherwise have been dealt with by a single Ombudsman Office. The process might be described as bumbledom on the loose.

To take an example, the Commissioner for Local Administration in England may be in conflict with the Countryside Commission; the Commissioner for Local Administration for Wales may be jousting against the Forestry Commission while arguing about jurisdiction with the Parliamentary Commissioner for Administration. The Parliamentary Commissioner currently representing the offices of Health Service Commissioner for England, Health Service Commissioner for Wales and Health Service Commissioner for Scotland may be liaising with the newly created Racial Equality Commission on the question of coloured doctors.

Health and safety at work are obvious factors leading to complaints by individuals. The Act of 1974 on that subject set up a Commission and an executive which operates at Chestow Place, Paddington, with responsibility for enforcing the provisions of the statute and making new regulations, founded in some cases on complaints of lacunae in the law. At a different location in London—New Oxford Street—the Health Education Council, under a director general, is listening to complaints by individuals concerned with health education. There is also the Medicines Commission in Finsbury Square, which is advising the Department of Health and Social Security on issues of policy under the Medicines Act 1968. Liaison must be maintained by all these Commissioners with all these bodies.

Nationalized industries are exempt from investigation by the Parliamentary Commissioner because each parent Act includes its own complaints machinery for every area, such as the Gas Consumers Council, the Electricity Consumers Councils and the Transport Users Consultative Committees.

In his annual report for 1975, the Parliamentary Commissioner for Administration gave some significant figures on the misconceptions in the public mind regarding his duties and the legislative restriction on his work. One thousand and sixty-eight written complaints came from individuals, all of whom had to be told that complaints could only be transmitted through members of Parliament. Cases referred by members themselves numbered 926 of which rather more than half (576) were invalid because they were found to be outside the Parliamentary Commissioner's jurisdiction. In his quadruple capacity as Parliamentary Commissioner and

three Health Service Commissioners, he was able to investigate a small number of complaints which fell under two Acts, and save time by issuing a single report. In other cases the Parliamentary Commissioner has attempted to reduce the delays inherent in the present system by liaison with other statutory bodies so that a complainant does not find himself referred back and forth between his member and similar Commissioners concerned with maladministration.

One complaint involved both the actions of a central government department and also the actions of a local authority. Legislation required a report by the Commissioner for Local Administration in Wales as well as a report by the Parliamentary Commissioner. The complainant was seen by officers from both bodies acting jointly, and while separate reports had still to be issued by each Commissioner, there was at least a joint agreement on the facts.

There are now separate Commissioners for Local Administration in England, Scotland, Wales and Northern Ireland, all four presumably busy with complaints and, hopefully, in close and constant liaison with each other and with the Parliamentary Commissioner in London over questions of jurisdiction and of fact.

These are some of the parts of an elaborate maze covering many separate areas of administration. These could be "streamlined", in the White Paper's own word, by creating a wide-ranging Ombudsman system in place of the narrow corridor between Parliament and the people uneasily occupied by the Parliamentary Commissioner. The total cost need not be higher than the fragmented machinery of today, but the frustrations of the present diverse agencies for dealing with complaints could be largely removed.

Meanwhile Members of Parliament have to concern themselves

more and more with work which in most cases ought to be within the responsibility of and handled directly by an unfettered Ombudsman. With the rapid spread of higher education since 1945, the educated electorate is a new constitutional factor whose impact on Parliament has not yet been fully appreciated there. In the whole year of 1947, there was a total of only 129 questions to ministers on various aspects of administration, while in the long parliamentary session of 1975-76 there were more than 40,500. To be in order, each question must involve the responsibility of a minister. This is an immense burden on Parliament, involving huge amounts of time, paper and strain on government departments.

former civil servant". Having cast a stone in the direction of Sir Idwal Pugh, the select committee which reviewed his work hastened to explain that there was no intention of hitting him—there was "no criticism of his personal qualities or suitability", apart, presumably, from the fact that he had recently retired from a top post in the Civil Service. The Ontario Ombudsman was chosen from outside the government service. He is Mr. Arthur Maloney, QC, one of Canada's most notable criminal lawyers.

The Ontario Ombudsman has a duty to report annually to the legislature but is otherwise unimpeded in his powers either to investigate complaints or to institute an inquiry himself. The response to his appointment was demonstrated by the opening of 6,000 files of citizens' complaints against maladministration in the first year, and underlined by some members' dismay at the comparison with their own less alert sponsorship of grievances.

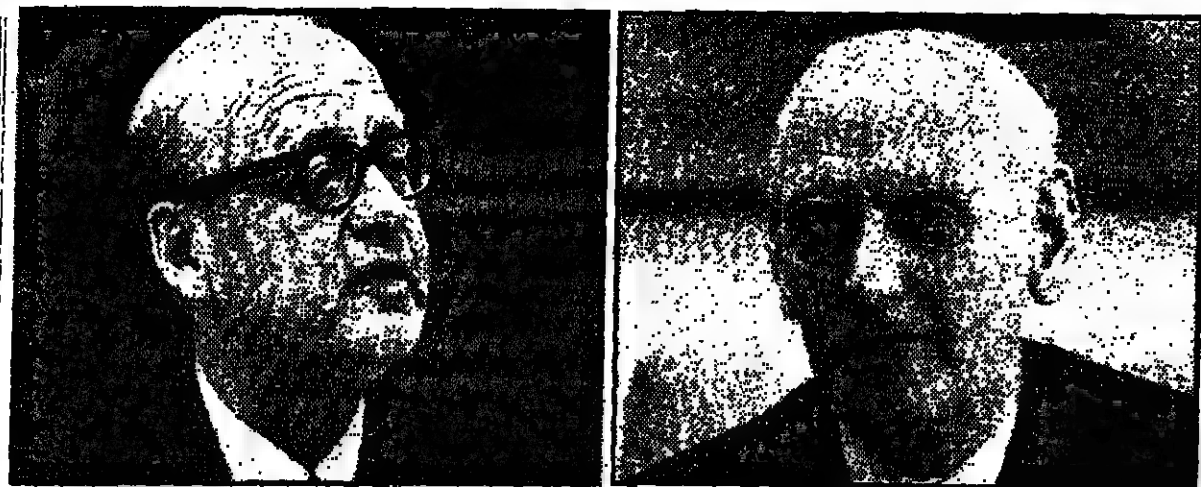
Although the financial cost has not been negligible, the social profit has been impressive. In Toronto, a city of 2,750,000, the languages spoken in the offices of the Ombudsman by his interviewing staff include Chinese, Czech, Dutch, Estonian, German, Greek, Hebrew, Italian, Filipino, Polish, Portuguese, Russian, Slovakian, Spanish, Ukrainian and Yiddish. The suspicious and grievances capable of being dealt with in the native tongues of the complainants are remedied by action or assured by explanation instead of being left to fester until some dissident group weaves these polyester complaints into a pattern of conspiracy and street rioting.

Complainants, however humble, are invited to bring their grievances direct to the office of the Ombudsman. Premises which are easy to find opposite Toronto's City Hall in the Thompson building have been purposely chosen in order to avoid any suggestion of government supervision. The informal atmosphere of the waiting room creates an unofficial setting in which complainants are encouraged to speak their minds and to feel that the Ombudsman is on their side from the start, and not just another Commissioner frothing for the government.

There is no Ombudsman service of this character or magnitude in London, and its merits ought to be studied before the law provides new, expensive, but still inadequate Ombudsman services for Scotland and Wales.

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Sir Barnett Cocks was Clerk of the House of Commons, 1962-73.



Sir Alan Marre (left) and Sir Idwal Pugh.

Aeroplanus helveticus africaphilus S.R.

A specimen to be observed more and more frequently in Africa.

The *Aeroplanus helveticus africaphilus* S.R., which even the layman can easily recognize by its silvery wings and handsome red stripes, has been little noticed hitherto in classical entomology. Quite unjustly. The *Africaphilus* S.R. (the letters denote its discoverer, Swissair) is definitely a useful insect, species of which include the DC-8, DC-9, and DC-10.

Considering its low emission level and quiet movements, it is probably the most useful insect ever to land in Africa. This is apparent particularly from the infallible instinct with which it flies tirelessly from Switzerland to Abidjan, Accra, Algiers, Cairo, Casablanca, Dakar, Dar es Salaam, Douala, Johannesburg, Khartoum, Kinshasa, Lagos, Libreville, Monrovia, Nairobi, Oran, Tripoli, and Tunis.

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S.R. N. V.
add: a new
one time
real review
meeting in a
discussion of

Lloyds

Road transport
after
the Budget,
page 21

MLR is cut again and Treasury hints at floating rate bond issue soon

By John Whitmore

What is proving a highly active week in financial markets yesterday brought a one-point cut to 9½ per cent in the Bank of England's minimum lending rate, the announcement of a £500m gilt-edged stock and an indication that the authorities may soon experiment with a floating rate government bond.

The Bank of England's move in setting its minimum lending rate on a Thursday rather than after Friday's Treasury bill tender was prompted for two main reasons.

The first was that with money market rates falling rapidly it was wanted to give the financial community a clear indication of its post-Budget thinking ahead of this week's Treasury bill tender.

The second reason was that it needed to set the scene for the later announcement of the £800 gilt-edged stock. This would normally not have been announced until this afternoon, but on this occasion arrangements had to be moved forward 24 hours to allow adequate time for applications to be submitted and dealt with before the Easter holiday.

In cutting MLR by one point the Bank made it clear that it was bringing the rate into line with recent market movements

and did not want the general level of interest rates to move much lower for the time being.

On the basis of last night's trading prices, today's Treasury bill tender looks likely to be in line with the new rate for MLR. If this proves to be the case, then the market-related formula for setting MLR will be automatically reactivated. Were the bill rate to drop still further, however, the market-related formula would remain in suspension.

The Bank's wish to see a degree of moderation maintained in the pace of decline in interest rates flows largely from its view that there are still a number of potential obstacles to be overcome, not least the negotiations for the next phase of incomes policy.

On the other hand it is clearly pleased at the favourable response to the Budget and is happy to see interest rates somewhat lower to try and curb the embarrassingly large inflows of foreign money into the country.

Meanwhile, with sentiment in the gilt market remaining favorable, the authorities are continuing their policy of launching partly-paid gilt-edged stock.

These are specifically designed to avoid depressing the monetary aggregates too much

in the short term, yet committing investors to providing the finance the Government will need once it has moved into its new financial year.

The new stock, which follows last week's offer of £800m of partly-paid Exchangeable 12½ per cent stock, 1992, is of much shorter maturity. It is Exchangeable 9½ per cent 1982 which at its issue price of £97 per cent offers a flat yield of 9.54 per cent and a gross redemption yield of 9.99 per cent.

Only £15 per cent is payable on application—lists close next Wednesday—with calls for £25 per cent falling on May 12 and £57 per cent on July 4.

It was also made clear yesterday in a parliamentary reply that the Treasury has decided in principle to experiment with a floating rate government bond if conditions seem appropriate.

The right conditions are generally when investors feel that interest rates are likely to rise and fixed interest stocks are, therefore, unattractive.

It will, however, be a number of weeks before the necessary technical details have been agreed with the Stock Exchange and statutory instruments can be laid before Parliament to extend the investment powers of trustee bodies and building societies, whom the authorities believe would be interested.

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NEDO chief urges Parliament link

By Malcolm Brown

A call for a formal link between Parliament and the National Economic Development Office was made last night by Sir Ronald McIntosh, director general of the NEDO.

Sir Ronald, expressing a view which is now gaining support, particularly among industrialists, told a Bow Group meeting in London that what he would most like to see would be a decision by the House of Commons to set up an appropriate select committee or subcommittee to maintain a continuing watch over the activities of NEDO and its associated tripartite groups.

"This would presumably involve the committee in taking evidence periodically from the

director general and senior staff of NEDO and from the chairman and perhaps some members of our economic development committees and sector groups."

He said that some people were becoming worried about the way they described as the growth of corporatism.

"I understand their concern and I am most anxious that work done by and under the aegis of NEDO should be done openly and should be clearly seen to be within the framework of our normal democratic processes."

A link with Parliament would be welcome to the people from industry who gave their time to NEDO, Sir

Ronald said.

"It would increase understanding among MPs of the practical problems involved in achieving industrial revival. It would remove the criticism that, under the present system, the arrangements for corporate consideration of industry's problems bypass Parliament."

And it could do much, over a period, to establish the greater measure of continuity in official policies towards industry which it is now widely accepted that this country needs.

Earlier Sir Ronald had given a warning that the industrial decline had gone a long way in the United Kingdom and would take unremitting effort

"applied over a period covering the normal lifetime of at least three Parliaments" to reverse.

Many people had not yet understood the true extent of the United Kingdom's loss of competitiveness over the last 20 years.

"It is not simply that we have fallen behind the most successful industrial countries in performance; the speed of their advance is now so great that the question will soon arise whether we can ever hope to rejoin their league at all. Certainly we shall not do so unless we apply our minds to the problem much more systematically and continuously than we have done so far."

IBM test for unions at workers' ballot box

More than 13,000 employees yesterday took part in a ballot which will determine whether IBM United Kingdom can withstand the storm of egalitarian legislation and remain a bastion of non-unionized labour within Britain.

The ballot is the outcome of a battle which has been waged between IBM's management and four trade unions since the middle of last year when the Association of Scientific Managers and Technical Staffs applied to represent the 2,000 workers at the company's Greenock plant in Scotland.

Since then, the Amalgamated Union of Engineering Workers, the Technical Administrative and Supervisory Section (TASS) and the Electrical, Electronic, Telecommunications and Plumbing Union-Electrical Engineering Section Association (EETPU-EESA) have also claimed an interest in being represented within the company.

All made their pitch under the provisions of the Employment Protection Act which allows a union seeking to become the bargaining agent for a company's employees to apply to the Advisory Conciliation and Arbitration Service for the right.

Yesterday's ballot was organized by ACAS. It formulated a five-point questionnaire, after much hard bargaining, representing the views of the company and the unions.

The questions have caused acrimony between the unions and the company. Fundamentally, the question centres on whether or not IBM employees would be better served in terms of salary and conditions if they had a union to represent them.

The unions maintain that the employees would not enjoy their standard of remuneration, and conditions unless the company had been forced to recognize yardsticks established at companies where unions were active.

The company, however, maintains that its pay scale and conditions are "significantly higher" than most unionized companies in the United Kingdom.

In addition, the company believes that its record of no strikes, no lays offs and full employment during its 25 years in Britain shows no need for such representation.

For historical reasons, the company's employees are more likely to vote for trade union representation than their colleagues in other parts of the organization.

It is not yet clear whether the Greenock result will be considered separately or not. Yesterday a spokesman for ACAS said it would take "some weeks" to study the results of the questionnaires, and only then would the service make its recommendations.

Tim Jones

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Curbs on Far East clothing imports

By Peter Hill

New curbs on imports of low cost clothing from the Far East were announced by the Government yesterday. This move by the Department of Trade is the latest in a series of measures taken to protect the United Kingdom textile industry from imports being made into the domestic market by low cost foreign suppliers of clothing.

This year, imports of men's and boys' jackets and blazers from Macao are to be limited to 400,000 pieces, while imports of women's, girls' and infants' blouses and shirt blouses from the same source will be limited to one million pieces.

The restriction follows a sharp rise in both products over the past two years. Imports of men's jackets and blazers from Macao rose from 95,000 pieces in 1975 to 382,000 last year while the women's wear imports increased from 155,000 to 596,000 over the same period.

News of the announcement came as the British textile industry reaffirmed its call for a fundamental renegotiation of the GATT Multi Fibre Arrangement.

The talks on the future of the MFA, due to begin later this month (April) in Geneva with the EEC still divided, although there are signs that the United States may be prepared to protect the United Kingdom textile industry from imports being made into the domestic market by low cost foreign suppliers of clothing.

Dr Brian Smith, the new president of the British Textile Confederation, said yesterday that more jobs would be in jeopardy unless there were restrictions.

Over the past two years 100,000 jobs disappeared. If present trends in imports continued, the European textile industry could lose 1.6 million jobs by 1985.

Dr Smith told the BTC's annual luncheon in London that it was important that the United Kingdom achieved a balanced growth in imports and exports. Textile imports should be related to a reasonable base price.

TASS wins inter-union status battle

By Derek Harris

The TUC has come down on the side of the Technical Administrative and Supervisory Section (TASS) of the Amalgamated Union of Engineering Workers in the first round of an inter-union battle over recruitment of professional engineers.

It is being seen as a serious setback for the Electrical Power Engineers' Association (EPEA), which has been pursuing an expansionist policy for new members.

But Mr John Lyons, EPEA's general secretary, last night made clear that it would not deflect association policy to widen its membership from its present base of the electricity supply industry into the private sector.

He said: "It is a disappointing decision. But we always knew we could not expect to win every case. There are many more cases still to come."

The decision by a TUC disputes committee concerned recruitment of professional engineers at the GEC Reactor Equipment complex at Whetstone, Leicestershire. Mr Ken Gill, TASS's general secretary, had invoked the Brighthelm agreement, covering non-pooling for members between TUC-affiliated unions.

TASS accused EPEA of creating exceptional difficulties for recruiting TASS engineers. This the committee upheld and EPEA has been asked to cease recruitment.

It has also been asked to advise its Whetstone members already recruited to transfer to TASS. But even if it does this, TASS will not necessarily gain the engineers' membership because, unlike EPEA, TASS has not been recommended as a suitable trade union by the engineers' own professional body, the Council of Engineering Institutions.

Other sites where the two unions are clashing includes three Lucas Aerospace factories at Birmingham. Another possible focus is a GEC factory at Stafford.

Inquiry backed: "Very strong" support for a full Government inquiry into the engineering profession came last night from the Association of Scientific, Technical and Managerial Staffs (ASTMS). The TUC has already called for an inquiry, and a decision is expected soon from Mr Varley, Secretary of State for Industry, on whether to hold it.

The corporation said Bennie Steel Sheet would become part of Lye Spencer Steel Services, the flat rolled products division of British Steel Services Centres, the BSC's stockholding group.

The corporation's growing involvement on the stockholding side has been a source of anxiety among other stockholders, although its share of the total United Kingdom market will be limited to 15 per cent with the approval of the Government and the EEC.

BSC established its service centres operation in 1974 and has since made a number of acquisitions.

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Iran bid for BP stake less likely

By Roger Vielvoe

The Shah of Iran and Veba, the German oil company, are unlikely to succeed in their bid to buy a stake in British Petroleum after the Bank of England acquired the British Petroleum shareholding in BP yesterday.

It will, however, be a number of weeks before the necessary technical details have been agreed with the Stock Exchange and statutory instruments can be laid before Parliament to extend the investment powers of trustee bodies and building societies, whom the authorities believe would be interested.

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Over 3 cwt of 16th issue National Savings Certificates were weighed in at the Savings Certificate Office in Durham yesterday, representing about £14m of the certificates which have been a runaway best seller for the Department of National Savings. Introduced on December 13 the issue closed yesterday and total sales could reach £850m, making it the most successful issue of National Savings Certificates.

Share prices fade with bout of profit-taking

By Our Financial Staff

Shares were unable to recover from an early bout of profit-taking on the stock market in London yesterday, and Wednesday's gains were lost.

The FT ordinary share index closed 7.8 lower at 419.4, with the 1 per cent cut in MLR, largely discounted, bringing only a minimal response. This disappointing session was despite a strong company news list yesterday.

Among them, Lucas Industries, the vehicle and aircraft equipment group, increased profits by 65 per cent to £34.7m in the six months to January 31 on a rise in sales from £327m to £418m.

Lucas experienced particularly strong demand in Europe, and a rise in aircraft sales started to benefit from the investment programme. Mr Bernard Scott, the chairman, said he expected the group's improved performance to be maintained.

From the foods sector, Cadbury Schweppes produced 1977 profit figures well ahead of most expectations at £46.4m pre-tax against £38.6m in 1976. An 18 per cent improvement in overall sales reflected a recovery in volume in confectionery in the United Kingdom. A strong second-half performance in Australia was another contributory factor.

Meanwhile, Dalmeida, the international merchant, announced a one-for-four rights issue to raise £11.5m, chiefly to fund investment in its United Kingdom operations.

Pitched at 187½—a discount of just under 22 per cent—the offer was accompanied with a promise to raise full-year dividends by 25 per cent. The shares responded with a rise of 2p to 24½p.

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Low demand worrying to Herbert

By Our Financial Staff

Alfred Herbert, the machine tool manufacturer owned by the National Enterprise Board, made pre-tax profits of £585,000 last year against a loss of £13.4m in the previous 14 months.

The result, however, has been artificially inflated by the release of £373,000 of provisions made in the previous accounts and an exceptional profit of £721,000 after a change in stock and work-in-progress valuations. On a strict basis, then, Herbert is still in deficit.

A fairer measure of financial performance, Mr John Buckley, the chairman, believes, would be to compare profits before tax interest and exceptional items of £1.46m with the equivalent loss of £5.71m for the earlier 14 months period.

Mr Buckley said he sincerely believed that the company could generate immediate cash requirements but he was concerned in the short-term because of the low level of machine tool demand. He said he wished that there was more evidence that the group would get a "flood of orders".

Sales for the two financial periods were roughly equal at just over £49m which, assuming earlier turnover, shows a gain which is credited entirely to the effects of inflation. Price increases in many markets, nonetheless, were impossible to obtain because of tight competitive conditions. Taking out cutting tools, which are concentrated in the United Kingdom, around 50 per cent of Herbert's output is exported.

The new bidder has long been seen as a predator within the machine tooling sector. Nationalization yesterday on April 29 will take over aircraft earnings of £5.8m from the below the line total of £22m in the latest half yearly figures.

Herbert's first priority in replacing these earnings, Mr Alex Laurence, the finance director, said yesterday, is to its continuing businesses in electrical and mechanical engineering "which will inevitably involve acquisitions."

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American oil affiliates expected to boost investment in UK by 19pc

From Frank Vogl
US Economics Correspondent
Washington, March 31

British-based affiliates of American companies plan to increase their capital expenditures by about 10 per cent.

This year to \$4,400m, against an estimated 8 per cent rise totalling \$4,000m in 1976.

According to a Department of Commerce survey conducted in December capital spending by majority-owned foreign affiliates of United States corporations will be stepped up 12 per cent to \$28,900m, compared with a decline of 4 per cent last year.

Oil company affiliates are again likely to be the largest capital spenders abroad, and much of their United Kingdom expenditure will be by these concerns.

The survey shows that oil companies intend to raise capital spending by 19 per cent to

11,100m, after a 2 per cent gain last year. The Commerce Department said the higher spending is largely accounted for by companies involved in oil production in the Middle East and the North Sea.

A dramatic change in investment planning seems to have taken place among United States affiliates in Britain in the second half of 1976. This possibly indicates increasing confidence in the British economic outlook on the part of their leading executives, as well as some substantial miscalculations on their part on the speed with which they could realize their capital spending intentions.

Planned expenditure in the United Kingdom by these companies will increase by 10 per cent. However, a Department survey conducted last June showed that these same companies expected their 1977 capital outlays to drop 3 per

cent below the 1976 level. The June survey also put planned 1976 capital outlays as rising by 16 per cent, while the December survey showed that this figure had actually been halved.

The 10 per cent planned spending increase compares with actual percentage rises by United States affiliates in Britain of 37 per cent in 1975; 14 per cent in 1974 and 43 per cent in 1973.

The December survey also indicated that United States oil affiliates primarily involved in distribution and refining intend to boost capital expenditures in France and Japan, while cutting spending levels in West Germany, Belgium, Luxembourg and the Bahamas.

Non-oil manufacturing foreign affiliates plan to raise their spending by 11 per cent to \$11,100m, after recording a 5 per cent fall in 1976 compared to the 1975 level.

Banks lending less to developing nations

By David Blake
Economics Correspondent

As negotiations proceed for some new source of funds for the International Monetary Fund, commercial bank lending to developing countries has fallen sharply. According to preliminary estimates by Morgan Guaranty Trust of New York in its latest issue of the authoritative *World Financial Markets*, total non-Opec developing country borrowing in the first quarter was down by \$2,100m to \$2,500m.

Some of the drop was explained by an improving balance of payments position caused by higher commodity prices. It is estimated that during the current year the balance of payments deficits of the 12 countries which have been the biggest borrowers, will drop some \$2,000m to \$1,000m.

But there is also definite indication of a switch in the lending policies of banks which is beginning to force the

developing countries to look more to official sources of finance, and less towards the commercial markets.

There has been considerable concern, particularly in the United States, about the growing role of developing country debts in bank balance sheets.

It seems to be generally accepted that commercial bank lending will have to play a dominant role in the coming year in financing the problems caused to countries by the deficits which are associated with the surpluses of oil countries and some western nations such as Germany.

However, bankers are clearly trying to bring in the IMF to a more positive role, if only because it has the power to enforce conditions on countries. Thus, ensuring that a country gets the IMF seal of approval is the first step towards making that country a good risk in the Euromarkets.

LETTERS TO THE EDITOR

The most effective use of gas and electricity and a fallacious view

From Mr Terry Goddard

Sir, Peter Reynolds (March 29) can be assured the most effective use of energy is of concern to the proponents of electricity. We share also his belief in the importance of the truth.

Unfortunately his entire argument against the use of electricity for domestic heating rests on a fallacy: hardly any power stations burn natural gas. Almost all burn the lowest grade of coal which would otherwise be building into huge tips. Natural gas is used only by the few stations with the additional facilities to burn it when demand for natural gas is slack.

Over 80 per cent of our homes use electricity for some form of heating. To curtail its availability, Mr Reynolds advocates that we should ignore what most people want.

Yours faithfully,
TERRY GODDARD,
Chairman,
The Electric Heating Bureau,
25 North Row,
London W1R 2BY.
March 29.

mainly from materials which (a) have no other real commercial outlet and (b) would not be converted into energy at all if not used in power stations. Some 70 per cent of United Kingdom's electricity is produced from low-grade coal, 10 per cent from oil residue, 12 per cent from nuclear fuels and the rest from hydro.

That the coal has no alternative outlet may be witnessed by the government's last week giving the South of Scotland Electricity Board a subsidy of £35m to encourage them to use this poor coal. Mr Reynolds should ask his local miners where they would be without the electricity supply industry. Incidentally, there is a very useful by-product of burning this high ash content coal in power stations in the form of the various lightweight aggregates and insulating building blocks that are made from the ash.

The debate is about whether we should use a valuable material like gas in boilers at all. And, most certainly, whether we should allow misleading claims about its relative efficiency to cause a decline of our electrical power industry, particularly bearing in mind the admitted short finite life of these gas supplies. There is no question at all but that in 10 or 15 years, a very substantial new capital programme will be required to convert back from gas to electricity and if our power industry is run down now, we will be faced with the crippling costs of importing, at a time when the whole world will be competing for the same service.

Yours faithfully,
A. E. SCRIVEN,
8 St Mary's Walk,
Kennington,
London, SE11.
March 29.

Tax and the building industry

From Mr C. A. Fairbairn

Sir, Following Mr A. Lewis's comments on the problems in the construction industry created by the advent of the new tax certification system (March 28) may I suggest the following?

As deduction of tax by the contractor absolves the sub-contractor of further responsibility for the remission of that sum to the Inland Revenue, then bona fide evidence of that deduction (Form SC60) submitted in lieu of payments made to the Inland Revenue in respect of PAYE and NIC remittances should prove satisfactory to the Inspectorate.

This was our contingency plan had we not received our certificate by the due date, and should enable those not so fortunate to escape the disastrous consequences of having to finance a double taxation situation.

Perhaps the Inland Revenue may care to give a ruling. Yours faithfully,
C. A. FAIRBAIRN,
Managing Director,
Merseyside Metal Sprayers Limited,
22 St John's Road,
Bankhall,
Liverpool L20 8BH.

Back-dated television licences

From Mrs S. A. Palmer

Sir, Can someone tell me why a similar system of licence renewal cannot be adopted for television to that which currently operates for driving licences? I note that my driving licence expires at midnight on a specific date.

Your correspondent, S. C. Cole (March 25) was fortunate indeed in being allowed by the national Television Licence Records Office in Bristol to make payment in advance for a colour licence expiring on March 31.

My licence, bought on March 26 for my new television—not a replacement—expires on February 28 1978. If I were allowed to make advance payment to gain the advantage enjoyed by S. C. Cole, my avoidance of probable licence fee increases in the budgetary emergency would be breaking the law till April 1.

What redress have I for the 26 days' fine imposed on me by the Post Office? Yours faithfully,
SHEILA A. PALMER,
Rising Sun,
Shoreham,
Sussex,
Sevenoaks,
Kent TN14 7SD.
March 26.

OECD says corporation broke code

Paris, March 31.—A number of multinational corporations are accused of ignoring the code of conduct guidelines agreed last June by members of the Organization for Economic Co-operation and Development.

The accusations were put forward by representatives of the Trade Union Advisory Committee of the OECD at a meeting of the organization's committee for international investment and multinational enterprises.

Although TUAC presented a list of 15 "cases of violation" of the guidelines, what is said to be a test case involves a Belgian unit of Badger, an American company, which is a wholly-owned subsidiary of Raytheon Corporation.

Badger-Belgium set up in Antwerp in 1965, closed down in January and dismissed its 250 workers without severance pay, required under Belgian law, Mr Henry Bernard, TUAC secretary-general, said.

He added that the parent company refused to pay the Belgian government had taken up the matter with Washington. "The United States administration has shown plenty of goodwill, but it is subjected to strong pressure by multinational corporations", he said.

The TUAC has also called for the setting up of international administrative units "especially responsible for surveillance of the application of the guidelines".

Japan car makers turn to Europe

By Our Industrial Correspondent

Japanese car makers could be exporting a million cars to Western Europe within five years. Marketing is expected to be particularly aggressive in the speed with which they could penetrate is now very small.

According to a study published yesterday, the Japanese are likely to concentrate their future sales efforts in Western Europe because of limited growth prospects in the north American market which has recently taken about 45 per cent of all Japanese passenger car exports.

Concentration on the European market was inevitable if the Japanese motor industry was to maintain its growth in export sales. In 1975, West European car imports, virtually all from Japan, had risen to about 300,000, with a 10 per cent share of the British market. If the Benelux and Scandinavian markets were included the Japanese had achieved an overall market share of 5 per cent.

The study, which dealt with the growth of the world's car-carrying fleet, said that while the Japanese might defer their marketing efforts for fear of EEC retaliation, the probability

was that they would seek to increase their share of the German, French and Italian markets to at least 5 per cent. In the rest of Europe a 15 per cent target was considered realistic.

If the level of new car registrations in Europe reached 10 million units by 1980, the report said, Japan would be shipping between 900,000 to one million cars to Europe within five years.

"The Growth of the Car-Carrying Fleet, No 52 in a series published by H. P. Drewry (Shipping Consultants), single copies £30 and £115 series of 10.

Babcock wins £70m Saudi water contract

Ames Crosta Babcock, a company in the Babcock and Wilcox Group's water engineering division, has won a £70m contract for the turnkey building of a major treatment plant to supply drinking water to Riyadh, the capital of Saudi Arabia.

The company thinks it is the highest value contract yet awarded for such a project, and the reverse osmosis plant would be one of the world's largest.

The order covers the entire civil, mechanical and electrical plant, including a diesel power generating station, and is expected to take over two years to build.

Italy's payments gap widens to £1,586m

From Patricia Clough

Rome, March 31

Italy had a balance of payments deficit of 2,380,000 lire (about £1,586m) for 1976 calculated on the basis of transactions, according to a government report approved by the cabinet today.

The gross domestic product increased by 5.7 per cent, compared with 5.7 per cent the previous year. Wages rose by 22.7 per cent in monetary terms, and by 4.4 per cent in value of buying power.

The report, shortly to be presented to Parliament, said the lira had devalued on an average of 17 per cent during the year. Unemployment had increased although the summary of the report available to the press did not include the figures.

The 2,380,000 lire payments deficit compared with 351,400m lire for the previous year.

Recent Bank of Italy figures calculated on a cash basis put the 1976 deficit at 1,640,000m lire. The difference between the

two figures is accounted for by delays in payments by importers to avoid the 10 per cent mandatory deposit and the recently-abolished tax on foreign exchange purchases. The Senate today approved the government's decree law to reduce increases in labour costs, with the changes made under yesterday's compromise with the unions. The compromise cleared the way for a £530m IMF loan.

The decree now goes to the Chamber of Deputies for approval before its expiry date on April 8.

Signor Giulio Andreotti, the Prime Minister, told the Senate last night before the approval that without credit "we would plunge into collective bankruptcy".

It was unthinkable that Italy should go further into debt to meet its current needs, he explained. Credit was needed to permit Italy to pay its international debts which "have gone over the danger line"—Renter.

Satellites may link N Sea rigs

By Kenneth Owen

Technology Correspondent

Communications for offshore platforms, rigs and support vessels in the North Sea in the 1980s could be provided by two satellites which are planned by the European Space Agency, according to a detailed study which has just been completed for the agency.

Results of the study were presented to the agency and other organizations in London yesterday by Marconi Communications Systems. The two satellites are the European Communication Satellite (ECS) and the Maritime Orbital Test Satellite (MOTEST).

Main use of the ECS will be to relay television programmes via large earth terminals. MOTEST is intended for shipping communications.

The problems of adapting these planned designs to the requirements of offshore communications—including the mixed use of the ECS by users of both large and small terminals, and the shared use of MOTEST by both ships and rigs—were examined.

Earlier studies had established that there was no fundamental technical obstacle to using satellites of the ECS and MOTEST type to provide communications for the offshore energy unit in the European sea areas. This latest study has sought to give a detailed technical definition of how this adaptation should be done.

A small terminal able to communicate from offshore platforms via satellite would cost about £765,000 at current prices, Marconi estimates.

In brief

Nube petition calls for Lloyds profit-sharing

A 25,000-name petition calling for a profit-sharing scheme in Lloyds Bank was yesterday handed to management by Mr Liff Mills, general secretary of the National Union of Bank Employees.

Mr Mills said the petition was a clear indication of the strength of feeling among staff at Lloyds and Lewis's Bank, a wholly owned in-store subsidiary. Profit-sharing schemes were already operated by Barclays, National Westminster and Williams and Glyn's. Midland also planned to introduce a scheme.

Nube is anxious to establish the timescale of implementing any profit-sharing by Lloyds and raised the possibility of calling a special shareholders' meeting to approve any plans rather than wait for a regular meeting.

Lloyds has engaged consultants to consider ideas and says it hopes that proposals will emerge which can be recommended to shareholders.

New Massey discord

Three weeks after the end of Massey Ferguson's longest strike the Coventry plant is threatened by workers refusing

to meet a 48 tractor-shift target—which caused the original strike. A company spokesman said yesterday that because of the cab assembly men's refusal management had started talks with their union, the Amalgamated Union of Engineering Workers.

CBI pensions plan

More than 50,000 small companies will be able to offer improved pensions to their employees from the introduction today of a new centralised pension scheme for CBI members. It replaces the original scheme created to meet the last Conservative Government's pension legislation. The scheme has been drawn up in cooperation with consultants Sedgwick Forbes, McNichol and Underwritten by Equity & Law Life.

US talks for Mr Benn

Mr Benn, Secretary of State for Energy, will fly to the United States on Sunday for four days of talks with members of the Carter administration. He will see Dr James Schlesinger, Secretary for Energy; designate Mr Richard Coper, Under-Secretary for Economic and Business Affairs at the State Department, and Mr Jack O'Leary, the Federal Energy Administrator.

Planet Percy Lane Group

International manufacturers of factory-produced aluminium windows for the curtain, transport, portable building and construction industries, and of diagonal brace systems for multi-story buildings.

- Maximum permitted dividend 2.94p per share
- Record Turnover of £12.2 million
- Pre-Tax Profits almost trebled
- Earnings per share trebled

'I believe 1977 will be a year of further progress' Peter Lane, Chairman

Results at a glance £'000	1976	1975
Turnover	12,205	8,660
Profit before tax	926	315
Earnings per share	10.4p	3.3p
Dividend per share net	2.94p	1.30p

During the year of continued difficult conditions, particularly in the UK, this performance is a great credit to management and all employees.

A substantial part of the increases in sales and profits in Luxembourg is due to the devaluation of sterling but nevertheless there has been a significant increase in volume contributing to the results.

In the UK there was a further improvement in profits during the second half of the year, despite a fall in sales due to the continued severe slump in the building industry.

The Group has started the current year on a most encouraging note with big increases in orders and sales.

AGM: 27th May—Excelsior Hotel, Birmingham

Copies of the 1976 Report and Accounts will be available from 1st May from The Secretaries, Lifford Road, Tamworth, Staffs, B79 1JL.

SIRDAR

Interim Financial Statement

The group results for the 28 weeks to the 14th January 1977 (unaudited) are compared below with those of the corresponding period to 9th January 1976 and the audited results for the year ended 30th June 1976.

	28 weeks to 14.1.77	28 weeks to 9.1.76	Year to 30.6.76
Group Profit before taxation	£507,000	£504,000	£942,000
Less: Taxation (U.K. estimated at 52%)	£164,000	£252,000	£453,000
	£343,000	£252,000	£489,000

The directors have declared a net interim dividend on the ordinary shares of 1.15p per share (1976: 1.04p per share) payable on the 14th May 1977 to all ordinary shareholders on the register of members at the close of business on the 25th April 1977.

Turnover has increased both in value and in the volume of business. Although rising wool prices continued to threaten margins the results of trading in Sirdar yarns have been most satisfactory. Sales of Hayfield yarns however were less satisfactory in the early season and the disappointing results are reflected in the group profit for the half-year.

The current phase of plant replacement is almost complete. Hayfield is now operating more profitably and given a continuation of the present high level of sales, group profit for the second half-year is expected to improve.

SIRDAR LIMITED

P.O. Box 31, Alverthorpe, Wakefield, WF2 9ND, Yorkshire.

MK Refrigeration Limited

Group results in brief:

	1976	1975
Group Turnover	£'000	£'000
Home	10,426	7,939
Export	2,029	1,810
Profit before taxation and extraordinary item	2,012	1,359
Percentage to turnover	16.1%	13.9%
Earnings per 10p Share	13.68p	9.27p
Dividend per 10p Share	2.7178p	2.5087p
Assets Employed	£7,081m	£5,571m
Return on assets employed	28.4%	24.4%

Highlights of the Chairman's Statement

The profit for the year rose by 48% over 1975 due to increased sales volume and planned cost savings through rationalisation of group activities. The board has decided to acquire additional manufacturing capacity to meet the record demand for the group's products and services. The future is viewed with optimism.

The Group manufactures bar cooling equipment, ice makers, Non-Drip spirit measures, beer dispensing equipment, cold rooms, contract furniture, air handling equipment and designs and installs commercial refrigeration and air conditioning equipment.

The Annual General Meeting to be held on 1st April at the Abercorn Rooms, Great Eastern Hotel, Liverpool Street, London EC2. Copies of the Report and Accounts may be obtained from the Secretary, 15 Moorfield Road, Orpington, Kent BR6 0HG.

Lucas anger at Leyland parts move

By Clifford Webb

A delegation of shop stewards representing 30,000 workers employed in Lucas motor component factories, have protested to the West Midlands County Council over British Leyland's plans to manufacture more of its own parts through the expansion and modernization of its SU-Butec group of component companies.

The Lucas men are particularly annoyed because they believe the state-controlled car group is unfairly using taxpayers' money to threaten their jobs. So concerned is Leyland about the opposition that Mr Ron Hancock, managing director of SU-Butec, met county council chiefs to explain his plans in detail.

A full report of both sets of talks will be considered at next Monday's meeting of the county's employment, commerce and industry committee.

One of the issues raised by shop stewards was a proposed deal with the American-French Motorola group. Mr Hancock wants to manufacture a Motorola alternator under licence for use in Leyland commercial vehicles and some specialist cars. A Motorola alternator is already fitted to the 12-cylinder Jaguar XJ6—Leyland's flagship.

It is understood that Mr Hancock has told the county council that unless the seven companies who make up SU-Butec are modernized quickly they will become progressively uneconomic to operate and some would be in danger of closure.

He said suppliers who met Leyland's requirements on quality and prices had nothing to fear, but the few who consistently fell short would be replaced by alternative sources, including in-house manufacture by Leyland.

Humberside yards get Indonesian orders

Export orders for tugs and barges, part of a £4m contract for Indonesia, have been won by United Kingdom shipbuilding companies. The Hull-based Yorkshire Dry Dock Co. is to build 10 bunkering barges for a swing-reaction project in Indonesia which will provide the yard with work for a year. Another Humberside company, Richard Dunston with yards at Thorne and Hessel, near Hull, is to build five tugs for the same project. The deal was won by Associated British Marine Toolmakers

Cold weather lifts consumption of energy 7pc

By Roger Vielvoe

Energy Correspondent

Cold weather in November, December and January boosted energy consumption 7 per cent compared with the same period of 1975/76, according to *Energy Trends*, published yesterday.

Coal consumption rose 9 per cent and natural gas and oil were 8 per cent and 5 per cent higher respectively.

Temperatures were substantially lower than a year previously, *Energy Trends* reports, and after correction for temperature and seasonal adjustment, consumption, measured at an annual rate, was 4 per cent above last year.

The cold weather also pushed power sales to record levels. Electricity supplied during January was 15 per cent more than in 1976 and power stations met a peak load of 49,100 megawatts. During the three months November to January electricity supplies were 8.5 per cent higher than last year.

Broadstone Investment Trust Limited

Managed by J. Henry Schroder Wagg & Co. Limited

The Annual General Meeting will be held at 120 Cheapside, London EC2 on Tuesday 26 April 1977 at Noon

The following is a summary of the Report by the Directors for the year ended 31 December 1976.

	1975	1976	% Increase
Total Revenue	£1,110,913	£1,305,884	17.5%
Revenue after taxation and expenses	£535,659	£608,327	13.7%
Earnings per Ordinary Share	4.12p	4.71p	14.3%
Ordinary dividends for the year, net per share	3.65p	4.50p	23.3%
Net asset value per 20p Ordinary Share, assuming full conversion of the Loan Stock	151½p	160½p	5.9%

- The dividend increase of 23% compares with a rise in the Retail Price Index of 15% in the year to 31 December 1976.

- For the five years ended 31 December 1976 gross dividends have been increased by 110%, against a 104% increase in the Retail Price Index.

BY THE FINANCIAL EDITOR

Here comes the floating bond

Around the turn of the year the authorities were said to have decided, quite wisely in fact, not to give a floating rate Government bond its first outing in the money market. There is little doubt that investors awaiting the capital gains of the developing bull market in gilts would have given it the cold shoulder. Now that conditions look as if they could well be rather different later this year, the bonds seem assured of at least a trial outing before too long.

The main idea of the floating rate bond is, of course, to allow the authorities to continue to sell debt in periods when investors feel that the underlying trend in interest rates may be upwards. In other words, to help avoid the disastrous stalemate with the gilt market into which the authorities led themselves last summer.

The added advantage from over is that a floating rate bond should not only allow them to fund smoothly but also to sell stock heavily at what should, theoretically, be the moment when the market is most surplus funds available—that is, when the excess of liquidity in the system has reached its maximum and consequently driven interest rates to their minimum.

Not in fact, that these conditions will necessarily prevail this spring following the heavy advance funding commitment implied by the two partly paid government stocks.

BP Improving cash flow

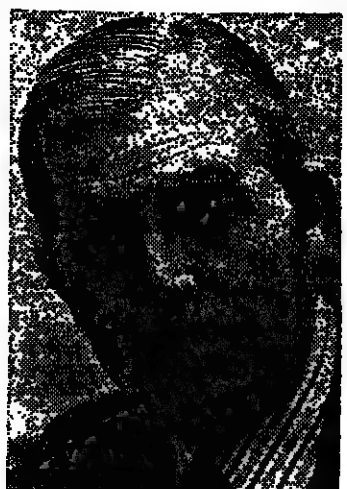
After two lean years, for the balance sheet as well as the profit and loss account, British Petroleum is heading for a much sounder underlying position. Net debt climbed from a third to 25 per cent of shareholder funds last year with the continuing need to fund Alaska and the North Sea. But that should mark the end of BP's deteriorating gearing and with cash flow building up well from Forties, Inverness, and other fields, the heavy operation should disappear. Retentions were only a little higher last year though depreciation was a third up at £266m and cash flow further benefited from BP's front-end loading petroleum revenue tax payments. Moreover, the 50 per cent rise in deferred tax at £14m will also have helped offset rising working capital.

Cash generation will benefit enormously with Forties now in peak production while next year will see the first benefit from Alaska, where apparently the low costs are still within budget. For the rest the two-tier Opec price structure, depressed product margins and refinery utilization that is unlikely to get over 1976's 70 per cent level will give little leeway for any major financial gains this year, particularly as there will not be 1976's £71m advance corporation tax write-back nor very much in the way of currency gains to count on this year.

Accounts: 1976 (1975)
Capitalization £3.166m
Net assets £2,858m (£2,676m)
Borrowings £1,585 (£875m)
Net income £179.8m (£144.9m)
Earnings per share 46.4p (37.3p)

Cadbury Schweppes Second half sparkle

Cadbury Schweppes made up in the second half of 1976 for some of the disappointment which attended its first half performance, producing pre-tax profits for the year which, at £46.4m, were well ahead of most expect-



Mr. Bernard Scott, Chairman of Lucas: profits improvement to be maintained.

tations. The improvement did not, however, show through at the earnings level, partly because of a high tax charge which reflected continuing, though reduced, losses in Canada and partly because of higher minority.

Still, that didn't stop investors for demonstrating a certain amount of enthusiasm in a lukewarm market, and the shares gained 14p to 45p, at which level the yield 9.5 per cent and the p/e ratio just under 9. The question now is how much further they have to go.

Last year confectionery volume in the United Kingdom showed some recovery, the year higher prices could send the trend the other way. Last year drinks did moderately well; this year there's no reason to expect them to do better. But there is room for recovery in Canada, further improvement in America, and a better performance in South Africa, though last year's currency gains (some £2m) are unlikely to be repeated.

Meanwhile, the interest charges are almost certain to rise as accelerated programme of capital spending and higher working capital requirements. So the outlook is for a modest improvement, nothing more; and unless there are outside factors—like lower cocoa prices—to put a shine on the shares, they are likely to mark time for a few months yet.

Final: 1976 (1975)
Capitalization £167m
Sales £787m (£667m)
Pre-tax profits £48.4m (£38.6m)
Earnings per share 5.02p (5.18p)
Dividend gross 4.19p (3.81p)

Bowater Papermaking rebounds

Bowater's first-half results pointed to a strong second half performance. In the event it has come through better than expected; profits rising by close to three-quarters compared to a gain of less than a quarter in the first period.

After the earlier strike disruption, the North American paper operations have since been working at full stretch, although even so the second half did not quite manage to make good in dollar terms the downturn in the first half. North American profits £50.3m compared to £53.4m the previous year, but this includes £8.4m of exchange rate profits.

The real momentum has come from the United Kingdom, where the paper operations rebounded from their first-half showing, thanks to improving demand to supplement the excellent showing of packaging and cotton trading. So despite bigger losses from building products, furniture and carpets, up from £2.9m to £4.7m, United

Kingdom profits rose from £4.8m to £21.2m, or 25 per cent of trading profits.

Moving into the present year Bowater has another round of price increases under its belt in North America, and is evidently still on a firm upswing. But much of that is accounted for in a p/e ratio of 9.3 and yield of 6.2 per cent with the shares at 20.1p, up 1p against a dull market yesterday.

Final: 1976 (1975)
Capitalization £249m
Sales £1,545m (£1,107m)
Pre-tax profits £78.3m (£52.9m)
Earnings per share 21.7p (15.3p)
Dividend gross 12.5p (10.9p)

Lucas Diesel hopes

Lucas owes its 65 per cent first half profits increase to rising volume, a 1 per cent improvement in trading margins and an almost halved interest charge as a result of last year's rights issue. Profits cannot possibly go on rising at this rate, but there are no signs yet that the group is running out of steam.

The 30 per cent increase in vehicle equipment under a 20 per cent volume gain, and while the pickup in European car production is slowing down, in the United Kingdom, strikes permitting, it is picking up. Meanwhile, the £35m investment programme in diesel engine injection equipment will be completed by the end of the year.

Interest charges will rise in the second half as more capital investment goes under way but will not dampen the chances of at least £75m for the year. The excitement may be over but a prospective p/e ratio of six, at 24.7p is not a growth rating, and even the low 5 per cent yield should not be too great a brake on the shares.

Interim 1976-77 (1975-76)
Capitalization £220.6m
Sales £418m (£327m)
Pre-tax profits £34.7m (£21m)
Dividend gross 3.26p (2.33p)

London Brick Housebuilding expectations

London Brick expects a 10 to 15 per cent drop in new housing starts this year, to around 280,000. The effect of this should be partly eased by a low level of ordering through the winter months leaving builders short of stock ahead of the summer.

Box that low ordering period had its impact on 1976's results with pre-tax profits at £10.5m reflecting a marked fall in volume sales in the second half and heavy reliance on the construction of investment income. Three of following the rollercoaster pattern of the building trade, London Brick's efforts to spread its base beyond brick and clay products—which still account for all but 12 per cent of earnings—will have an increasing impact from 1977 onwards.

The Croxley acquisition in January should be worth around £800,000 pre-tax this year, and while the group is not in any particular hurry, further acquisitions are likely. A cautious balance sheet will have an increasing impact from 1977 onwards.

At 49p, down 2p on the results, the outlook for the brick and clay core of the business looks uninspiring. But the shares have the solid support of a 9.1 per cent yield.

Final: 1976 (1975)
Capitalization: £28.7m
Turnover: £76.6m (£57m)
Pre-tax profits: £10.5m (£9.8m)
Earnings per share: 7.25p (6.83p)
Dividend gross: 4.45p (4.04p)

Will smokers learn to love substitute tobacco?

Dr Hunter has given his committee's long-awaited go-ahead to non-tobacco smoking materials and the question now is how acceptable the end product will be to smokers. The evidence other than that gathered in sheltered test conditions is not encouraging.

Cigarette brands containing Cytel, the Calanese product marketed in Germany and Switzerland during the last two years by Rothmans International and British American Tobacco, have been disappointing. The problem is that both Cytel and the New Smoking Material (NSM), the rival product developed jointly by ICI and the Imperial Group, need to be mixed with tobacco to give them flavour and smoking consistency.

The mixture used on the Continent did not give significantly lower tar and nicotine yields than conventional low tar cigarettes. There is also no price advantage to the smoker, because the substitute material is subject to the same tax levels as tobacco.

The big cigarette companies were, however, much more optimistic yesterday about prospects in Britain. For a start, there has been far more publicity here than overseas about non-tobacco smoking materials generally. Smokers are eager to try the substitutes.

Secondly, the companies have not been idle during the two-year gap between the Hunter Committee's approval, testing, marketing for the substances and the go-ahead to put them on open sale. The acceptable proportion of substitutes to tobacco, which at the time the Cytel and Calanese products were launched stood at a maximum of 30 per cent, has been increased to nearer 50 per cent.

Gallagher, whose marketing plans appear to be the most advanced of those of the three big British cigarette producers, is planning to launch a brand containing 40 per cent of Cytel which will give a lower tar yield than anything on sale at present.

The trend will be one of two companies which Cytel and Calanese hopes to have on sale under its existing Silk Cut label by July 1. Mr Stuart Cameron, the company's managing director, described the cigarettes as having a "fuller flavour" (a key element in consumer acceptance) than conventional very low tar products.

Carreras Rothmans, which with Gallager has been working with Calanese on Cytel, is slightly more cautious, although a spokesman described the company as "very enthusiastic".

ICI, which has been working with Calanese on the Imperial Group, where executives have been consistently wary about making extravagant claims for its NSM brand substitute, Imperial, which with more than 60 per cent of United Kingdom cigarette sales is by far the largest of the tobacco companies, has the biggest stake in non-tobacco smoking materials with a £14m purpose-built factory already in production in Scotland.

Imperial yesterday was talking in terms of brands containing about 20 per cent or so substitute to tobacco. The main value, as it sees it, is that NSM gives more flexibility in cigarette manufacturing. The group is clearly taking a long-term view and will aim to recoup its heavy investment in research and development in the European markets as well as in Britain.

The American Calanese Corporation is also looking at non-tobacco cigarettes. The group collectively has spent more than £40m and taken 20 years in developing non-tobacco smoking materials. It will not easily let the opportunity presented by the patenting of Cytel slip. Dr Hunter's Independent Scientific Committee on Smoking and Health allp from its grasp.

Patricia Tisdall

The Budget measures will not shift freight off the roads

Will the Budget changes affecting vehicles be a serious burden to the road transport industry? Will they bring about a transfer of freight, as almost everyone desires, from road to rail?

The answer to both questions, if past experience is any guide, is almost certainly no. The extra fuel tax will add £90m to the industry's annual costs and the higher licence about £70m. Even for the big 32-tonners that carry the heaviest impost, the addition to annual costs will be only 24 per cent.

With inflation running at 10 to 20 per cent the effect of such a change cannot be more than marginal. And it comes at a time when British Rail, struggling to eliminate a £70m freight deficit, is on the point of raising its freight charges overall by about 8 per cent—some of them by up to 15 per cent.

If the practical effect of the Budget measures on transport is likely to be negligible, we are left with the continuing, rapidly anti-road and pro-rail policy of which the Budget proposals are indeed a manifestation. How valid is it likely to be in the longer term?

Last year's government consultation document on transport, in a phrase that has already become celebrated and notorious according to one's point of view, described the possibility of a substantial transfer of traffic from road to rail as a "pipe dream".

This is certainly borne out by the experience of recent years. Almost all the 35 per cent growth in domestic freight transport over the past decade has gone to road, so that industry now spends more than £10,000m a year on moving freight by road compared with under £250m for freight moved by rail.

This is despite a series of measures over the past five years which have caused road freight to be progressively penalized, while rail freight (up until the last year) has been progressively subsidized.

In their response the Railways Board, needless to say, took a markedly more sanguine view. The Government suggested that if all freight over 100 miles were transferred to rail then total road freight would be reduced by only 2-4 per cent. The Board, however, argued that given the necessary inducements—for example, by making heavy lorries bear their "proper" costs—some 40m tons of freight carried in 16-ton lorries and over could transfer to rail, reducing the road volume by 20 per cent. It was the 16-tonners and over that were "the real source of public concern".

When "proper" costs are taken into account, however, an area of dispute. The Government document, disagreeing with an earlier government study which concluded in 1968 that all lorries more than covered their track costs, suggested that while smaller ones more than did so

the largest failed by 20 per cent. Since then road expenditure has been cut by about 15 per cent and road freight tax increased by about 10 per cent, so that even on the Government's figures there cannot be much in it now.

In a sense this entire attempt to get heavy lorries to pay their "proper" costs is phoney, because they are merely one sector of a transport market which is otherwise heavily, deliberately and, no doubt, justifiably, "improper". Rail subsidies have risen to £400m-£800m a year depending on how much one chooses to include, while the surplus of government road tax over government road expenditure has risen from about £1,500m to more than £3,000m a year.

This admittedly does not include the cost of accidents, policing and company car tax reliefs which could perhaps be made to add up to £1,500m a year.

Such arithmetic, however, which excludes the social benefits on road transport and the disbenefits of rail, is too tendentious for many.

Why not, then, pass gently over Mr Healey's contention that his measures are in line with transport economics and policy, and simply agree that road transport, whether private cars or lorries is attractive to tax, like drinks and cigarettes? It goes on despite the Chancellor, and whether continually adding to its tax burden is

sound policy or not, depends on the time-scale one chooses for looking into the future.

In the short-term—the one that normally preoccupies politicians—there is a lot of sense in taxing road transport. It must help rather than hinder the problems of rail subsidy and energy balance of payments.

Given, too, the successive cuts in road construction and road maintenance, it must help, rather than hinder the problem of an inadequate road system increasingly inadequately maintained.

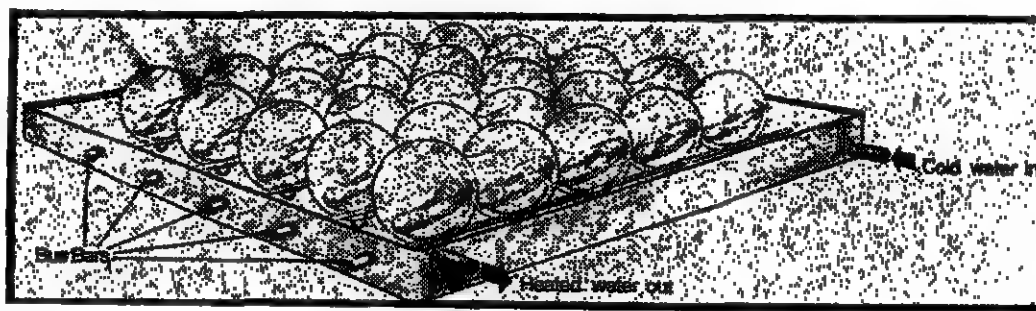
In the medium term, given the steady growth of road traffic against all the disincentives, it may be asked whether in seeking to stifle rather than adapt to it the Government is not flying in the face of reality, and in the process imposing both economic and environmental costs which are simply being ignored in Mr Healey's calculations.

In the longer term, as space-ship Earth runs out of oil, the policy may turn out to be right. Meanwhile, there were no transport managers wringing their hands in the streets yesterday and trying to sell off their lorries. They have bigger problems head—EEC policies on tachographs and drivers' hours that could add not £160m but £650m to their costs—Transport and General Workers' Union permitting—within a year.

Michael Bailey

Kenneth Owen, Technology Correspondent

Up to the eyeballs in solar research



An array of solar energy spheres—the so-called "solar eyeballs"—which are being developed by Standard Telecommunication Laboratories. They carry a lens to focus the sun's energy on the cell and a device to turn the ball towards the sun.

equipment on board spacecraft, most solar cells to date have been made of monocrystalline silicon. Conversion efficiency of present terrestrial silicon cells is about 10 per cent, compared with a theoretical limit of 22 per cent.

To try to obtain a cheaper starting material, Metals Research of Royston, Hertfordshire, has been developing a technique for the continuous production of monocrystalline silicon ribbon. Ferranti, also, has been working on reducing the costs of silicon cell and module assembly, against a background of many years' manufacture of solar cells for spacecraft.

In 1975 the company halved its module costs (to about £16 per peak watt) and it is now aiming to bring this down to £8 by means of radically new processes.

New possibilities in solar cells have been opened up by work on amorphous silicon films at the University of Dundee. Cells of large areas can be formed by depositing thin layers of amorphous silicon on heated metal, glass or plastic substrates of any size can be assembled from standard modules.

It is expensive (£8-£16 per peak watt), but this expense is already justified in small units for isolated or difficult sites. The main aim of research and development is to bring down the cost of solar cell manufacture for large-scale generation in favourable locations the target is about 25p-30p per peak watt. To reach this figure, it is estimated, the conversion efficiency of the device must be greater than about 10 per cent. As used to power electrical

The G. V. Plessey company of Sudbury-on-Thames has begun work on an EEC-sponsored programme to develop sintered ceramic cadmium sulphide cells, which should have advantages of low cost, robustness, reproducibility and stability. Manufacturers of Japan, which pioneered this type of cell, now claim conversion efficiencies comparable to those of thin-film cells.

For a private client, Plessey's research laboratories of P.A. International Management Consultants, is developing cells which use chemical spray deposition of cadmium sulphide on glass. Again low cost is a prime target.

Cranfield Institute of Technology is also working on cadmium sulphide cells. These are more expensive than silicon but, because they perform better at high intensities and temperatures, are more suitable for operation in concentrated sunlight. A conversion efficiency of 18 per cent has been claimed.

Plessey's Allen Clark Research Centre is developing this type of cell with EEC support. A novel form of gallium arsenide device is the so-called "solar eyeball" which Standard Telecommunication Laboratories are developing as a private venture. The cell is contained in a hermetically sealed plastic sphere, about the size of a football, which also carries a

lens which focuses the sun's energy on to the cell. Around the cell, rather like the petals of a flower, are four gas reservoirs. As the sun moves relative to the "eyeball", its focused image falls on one of the reservoirs. The gas inside the reservoir expands, forcing a magnetic plug to move around a circular tube.

This reacts with an external magnetic field to swivel the optical axis of the sphere towards the sun again; typically there would be an array of such "eyeballs" floating in a tank of water.

This project is still at the research stage at Standard Telecommunication Laboratories. Assuming large-scale production, installed costs of about £750 per peak kilowatt are envisaged.

These are some of the main developments under way at present. Other work is continuing at Heriot-Watt University, Edinburgh; Southampton University; the Royal Military College of Science; Plessey's Allen Clark Research Centre; and the Royal Aircraft Establishment.

Up to now, Mr Treble's review indicated, these various programmes have been largely uncoordinated. "The export market for solar photovoltaic systems will be highly competitive," he comments. "If British industry is to win a fair share of it, there is a need for a coordinated national programme with a clearly defined aim."

Business Diary: Sir Derek and after

Sir Derek Mitchell's departure from the Treasury is likely to overshadow his appointment as a full-time director of merchant bankers Guinness Mahon. But his is only one of a barrage of new appointments to the bank's board which, in total, suggests that it is now making a formidable push for new business.

Last year a new chairman and a chief executive were recruited in the form of Donald Robson and Jean-Pierre Fraysses, both with a strong international banking background. Besides Sir Derek, they are now being supplemented on the board by Alfred Singer and Graham Starforth-Hill, while the ubiquitous Lord Goodman comes in as a consultant, as does George Selby to advise on foreign exchange and currency matters.

Even this is not the end. Yet more appointments are expected, including possibly another to join David Ewart, head of corporate finance, who has now moved up to become a vice-chairman.

Lord Kissin, chairman of Guinness, who owns the bank, was being guarded about precise responsibilities for the new directors yesterday, but their history gives some clues as to where the thrust might be coming.

Sir Derek, for instance, has been in charge of overseas finance at the Treasury, while Alfred Singer, former chief of National Giro, has taken over the Post Office Pension Fund.

Graham Starforth-Hill, who milks Singer will be full-time, as until recently one of the top corporate finance lawyers in Singapore, where Guinness Mahon has a subsidiary. And

Lord Goodman, although moving off to University College, Oxford, cannot be other than a useful man to have around.

India hands

A decision on Sir Derek Mitchell's successor at the Treasury has yet to be announced, although one obvious runner would seem to be his deputy, Russell Barrett. Barrett, who is 53, came to the Treasury from Oxford in 1949, and spent from two years at the United Kingdom High Commission in Karachi has been there ever since.

Another possibility is William Ryle, who has been growing in stature and confidence since going to Washington in October, 1975, as economics minister at the British Embassy, and as executive director of the International Monetary Fund and World Bank.

At first he seemed rather uneasy and monetary officials in the United States capital took their time before deciding just what to make of this evidently cautious Scot. He is considered rather aloof by numerous IMF technocrats, while in the free-and-easy world of Washington journalism he is seen as being too much the diplomat. That, after all, is an attribute likely to do him more good than harm with the Treasury's mandarins.

Yet Ryle has displayed a degree of technical competence and negotiating talents that have impressed top United States and IMF officials. These have, without doubt, contributed significantly toward the resolution of the many complicated loan negotiations that Ryle has had to manage for

Britain with the IMF since the very start of his Washington assignment.

In IMF board meetings he is commended for his patience, but there are flashes of temper when he feels he has been taken advantage of.

Educated in India and in Edinburgh, Ryle joined the Treasury from the Colonial Office in 1963 and within six years, after working largely on international economic matters, became Principal Private Secretary to the Chancellor. From 1971 to the time he moved to Washington he was head of the division at the Treasury in charge of public expenditure in agriculture, industry, science and employment.

The licensed trade, with its traditional affiliations to the Tories, is always quick to see political bias when a Labour government looks into its affairs. There was some mercurial behaviour yesterday, however, when the Price Commission found in its investigation of soft drinks and mixers that the worst offenders were the railway buffers and airport lounges, the state-owned British Rail and British Airports Authority, with mark-ups "approaching 300 per cent".

In a spin

The news that the Eurovision Song Contest in which a double dismay music lovers everywhere, but has caused a sigh of relief throughout the £273m a year British recording industry.

This is nowhere more true than of Paul Robinson, chairman of Power Exchange, an independent record producer

which, with the German label Polydor, is handling the British entry.

Called "Rockbottom", the name of the entry alone would make it sound a natural winner for this annual spectacle, matched only in gaudiness by Eric Morley's Miss World competition.

However, the song, which is sung by Lynsey De Paul and was written by Mike Moran, may have other claims to success. It climbed over the last week from no 47 to no 29 in today's industry chart published in the trade paper Music Week.

This record, and many of the other entries, will have a chance of being sold all over Europe now that the music cameramen's dispute has been settled. The competition, originally due to be held tomorrow at the Wembley Conference Centre in north London, will now be held on May 7.

Clothes pegs

Two new men have taken over the reins of the British Textile Confederation at a critical time for the industry.

Brian Smith, chairman of ICI Fibres, is taking over from Alan Clough, of British Mohair Spinners, as president of the umbrella textile body which brings together unions and employers. Also, after nearly a year's search to find a new executive director, former ICI MP and general secretary Ian MacArthur has taken over. The director's vacancy was created by the resignation of Clifford Jupp last year and the cost of a replacement has been large. Jupp received an ex gratia payment of £10,250 on his departure and head hunters

engaged to find a successor received a fee of £8,264.

One of Smith's first tasks has been to introduce measures to strengthen the BTC's finances—the organization had a deficit of £7,528 last year. He was the moving force behind the intro-



Brian Smith

duction of a patrons' scheme under which 63 companies have so far agreed to finance the organization's work on a five-year view by increasing their subscriptions annually to keep pace with inflation.

At least something to do with tea is cheap these days. Geoff Fyfe, the new managing director of Pickfords Removals and Travel Service, said yesterday that his state-owned company had once done some research into replacing the ubiquitous but unwieldy tea chest in Pickfords removal vans. The box which was designed came up exactly the same size and shape as a tea chest, but cost 10 times more. Pickfords stuck with the tea chest.

Preliminary Announcement of 1977 Results

Chairman Murray Gordon reports

'Another Record Year'

A profit for the year of £4.613 million equivalent after tax to 12.37p per Ordinary share

A dividend for the year of 2.9029p equivalent to 4.4660p gross per Ordinary share, the maximum allowed under present Government regulations

A substantial increase in financial strength

Five Years Results

in thousands of pounds

Year ended 29 January	1977	1976	1975	1974	1973
	unaudited				
Sales excluding VAT	54,470	51,434	45,295	37,848	29,331
Profit before taxation	4,613	4,353	3,505	3,179	2,522

COMBINED ENGLISH STORES GROUP LIMITED

FINANCIAL NEWS

'Rights' and good results boost Spirax Eng

Bumper results and a rights issue from Spirax-Sarco Engineering pleased the market, which pushed the group's shares up 8p to 196p.

The issue is to raise £2.4m at 150p in the proportion of one-for-five. It is underwritten by Schroder Wagg while the brokers to the issue are Phillips & Drew.

The board of this fluid control equipment specialist plans to use the money to continue its expansion—especially in the UK, where the proposed investment programme for 1977 and 1978 is over £2.5m. The programme includes new factory and warehouse space in Chesham and the purchase of new machine tools to boost production capacity. Initially, the net proceeds will be used to strengthen the group's short-term UK cash resources.

Helped up by a 58 per cent rise in second-half profits to £2.2m, the group ended 1976 with a 59 per cent leap to a record £4.2m before tax. This was achieved on turnover up 27 per cent to £25.7m. Earnings a share were 24.1p against 16.4p, while the dividend is raised from 8.66p to 9.53p gross.

Shareholders who take up the rights issued will not be eligible for this dividend, but the board intends to pay a total of 13.46p gross for the current year.

Commenting on the results, the board says that overseas trading was again the main strength, with overseas profits showing a 54 per cent rise over 1975 to make up nearly half of trading profits. Some of this was due to special factors such as the general fall in the value of sterling. Also, some of the new overseas outlets made only a negligible contribution in 1975, but have made a "proper contribution" to profits in 1976.

Orders received so far this year have been satisfactory throughout the world, while the outlook for 1977 is running ahead of the same period last year. Growth is expected to continue this year.

ALICE TEXTILES COS
Said its business of Ladyship Woollens, Halifax, to include North and South, leading North American knitwear wool specialist.

Briefly

ORADA DOUBLES
Vehicle distribution and engineering group Orada Holdings more than doubled pre-tax profits to £64,000 to £128,000, a 100 per cent increase, on turnover up 50 per cent to £1.2m. Earnings a share rose from 4.8p to 12.2p, turnover rose from £34.8m to £44.9m, and dividend up from 5.79p to 6.56p.

FOTHERGILL JUMPS
To turnover up from £8.1m to £9.4m for the year to January 1, 1977, pre-tax profits of Fothergill & Harvey climbed from £72,000 to £108,000. Earnings rose from 7.01p to 8.56p. Payout raised from 7.78p to 8.56p.

HANGER INVESTMENTS
Pre-tax profit jumped almost fivefold from £101,000 to £501,000 in 1976 on turnover increased from £19.7m to £27.3m. Dividend up from 5.33p gross to 6.62p.

LIDEN (HOLDINGS)
Lost for year to November 30, £140,000, against loss of £100,000, after tax credit of £97,000 (debit of £5,000 last year). Sales, £3.28m (£1.2m). No dividend (same).

GREENFIELD MILLETS
"Turnover is considerably ahead in the first five months of the present financial year," said Mr. Richard Greenfield, chairman, at the annual meeting. "We are looking for another record year to make it the twelfth record year in succession."

DELTA METAL
Delta Metal offer of new ord. £25p each of Delta to exchange for the cancellation of the whole of its outstanding 7.5 per cent convertible unsecured stock, £84.89p net unconditional.

TRIPLEVIEW
Revenue (after tax) for year to February 28 up from £349,000 to £413,000. Total gross payment from £5.44p to 6.05p.

HAKE AND SCULL
Chairman told annual meeting that the company is continuing at a most satisfactory level and that the board is confident this will be maintained for remainder of year.

NEWBOLD & BURTON
Newbold and Burton Holdings' trading and prospects "favourable," Mr. V. F. Burton, chairman, told annual meeting.

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from today, Friday, April 1, 1977, their Base Rate for lending will be reduced from 10 1/4 per cent to 9 1/4 per cent per annum.

Interest payable under the Bank's Demand Deposit Scheme on sums of £500 up to £100,000 will be at the rate of 6 1/4 per cent per annum. Interest rates for larger amounts will be quoted on application.

Hill Samuel & Co. Limited
100 Wood Street
London EC2P 2AJ
Telephone: 01-628 8011

Newcomer East Sussex powers Aurora but borrowings burgeon

By Nicholas Hirst
A 51 per cent increase in Sheffield engineering group Aurora Holdings' annualised profits to £2.1m in the year ended December 31 looks good. But £640,000 of it came from an advance to a maiden, nine-month contribution from the recently acquired foundry equipment group, East Sussex Engineering. Sales grew by 54 per cent to £23.8m.

There was no contribution from the precision casting company, G. L. Whillan, acquired from the receiver. But its acquisition cost of £500,000 and the £3.2m cash paid for East Sussex were the major factors in a rise in bank borrowings

from £508,000 to a figure around £2.1m. This pushed net financial gearing to 97 per cent of capital employed.

A planned sale of assets will release nearly £1m later this year when Whillan should contribute about £250,000 to profits. And 1978 is expected to be the major growth year for East Sussex, from a large contract in Poland.

Best performers last year were machine tool merchanting and the manufacture of process and industrial plant. But industrial activity stayed flat and demand for most products was not high.

As demand improves this year in fasteners, particularly sales in

the United States, are leaping ahead. Elsewhere benefits should flow from the sell-offs and rationalisations of the last few years.

Capital investment will double to £1.4m next year but with stocks accounting for around two-thirds of the balance sheet total, there is a potentially large requirement for working capital.

Profits are given both on an annualised basis and for the full 18 month accounting period to December 31 which results from a change of year end. The 18 month profit was £2.4m on sales of £23.8m. The final dividend is 3.3p gross. Annualised earnings were 24.1p.

The year's results would be similar to 1975. The gross payment rises by the maximum from 3.96p to 4.36p.

Sirdar sights peak
Despite rising wool prices pressing on margins, Sirdar, the Yorkshire-based hand-knitting yarns group, pushed forward its pre-tax profits from £304,000 to £507,000 in the half year to January 14. The dividend rises from 1.6p to 1.77p gross.

With the current phase of plant replacement almost complete, the board, under Mrs. Jean Tyrell, expects profits for the full year to exceed the record £942,000 of 1975-76. Turnover went up in both value and volume.

The shares were unchanged at 45p (showing a 50 per cent rise since January), but under the Treasury's dividend re-investment plan, the gross total climb from the 1975 base to a total of 4.37p per share where the yield is almost 10 per cent.

Austin Reed tops £2m
Menswear retailers and manufacturers, Austin Reed Group, topped £2m for first time. On sales up from £2.1m to £3.1m for year to January 31, pre-tax profits increased from £1.09m to £2.01m. Earnings a share of 9.2p against 6.5p and total dividend raised from 3.69p gross to 3.92p.

Combined English
Pre-tax profit up from £4.35m to £4.61m in the year to January 29 are reported by Combined English Stores Group. Sales climbed from £51.4m to £54.5m. Earnings a share rose from 11.88p to 12.37p and the dividend from 4.06p gross to 4.67p. Cash balances on January 29 amounted to more than £5.5m.

Royal Worcester
Although it did not match the record £2.25m profit of 1974, Royal Worcester hoisted pre-tax profits from £1.2m to £2m last year. Sales of the group, which takes in fine china, earthenware and industrial ceramics, rose from £19.1m to £26.7m. Earnings a share were 14.2p against 12p and the dividend goes up from 8p to 8.6p gross.

B. Matthews soars
With a further substantial rise seen for the current year, the Bernard Matthews turkey

Desoutter excels
Following the Compair takeover proposal—later called off—Desoutter Brothers, the engineering group, is hoisting its 1976 dividend from 12.06p to 15.38p gross. Pre-tax profits were well over the forecast made at the time of Compair's approach, and were 46 per cent up at a record £2.5m.

Turnover went up from £10.2m to £13.4m. Earnings a share were 27.38p, against 20.03p.

The current year should be "at least" as good.

OSBORN'S EXPORTS
A marked upturn in export sales reported by Samuel Osborn, the international engineering group. Export sales for the 20 weeks to February 20 over 50 per cent higher than same period a year ago.

SELUKWE-KADUNA
Selukwe Gold Mining & Finance is to bid for Kaduna Syndicate. Terms are for every seven Kaduna, five Selukwe ordinary shares and five units of participation. Units will not carry interest and will not be listed. Irrevocable undertaking received for 38.25 per cent of Kaduna.

REXMORE-ROSENTHAL
Contracts exchanged for acquisition of J. Rosenthal & Sons from March 1. Price will be equivalent to net tangible assets at that date. At December 31 these amounted to £1.26m. Of this £825,000 was balances at bank.

ASH & LACY
On sales increased from £16.7m to £24m for 1976, pre-tax profit £1.7m against £1.1m. Earnings a share rose from 13.6p to 21p. Total payment raised from adjusted 8.32p gross to 9.5p.

JAMES DICKIE
Turnover for year to October 31 down from £3.15m to £2.79m, but pre-tax profits from £380,000 to £458,000. Gross payment rises from 5.53p to 5.94p.

BROWN AND JACKSON
1976 up from £8.55m to £10.4m and profits (after tax) up from £256,000 to £313,000. Total gross payment cut from 6.33p to 5.96p.

MENGE'S CLEARED
Following proposed mergers not to be referred to Monopolies Commission: EMI-Development Securities; English China Clays-Boddy Industries.

INT COMBUSTION
Pre-tax profit of International Combustion (Holdings) for 1976 up from £906,000 to £1.78m. Total gross payment raised from 1p to 1.1p.

More streamlining of Anglo A unlikely

By Christopher Wilkins
There is little likelihood of further rationalization of the Anglo American Corporation once its bid for Rand Selection is complete, Mr. Harry Oppenheimer, chairman of Anglo, indicated in London yesterday.

Dismissing suggestions that the Rand Selection takeover was a prelude to further rationalization, Mr. Oppenheimer said he did not want the group's main affiliates to become subsidiaries because of the psychologically dampening effect on initiative.

As a result of the Rand Selection deal Anglo will control between 40 and 50 per cent of most of its associates, although the stake in Charter Consolidated will be slightly less at 36 per cent.

Justifying the desirability for the group to become bigger still, Mr. Oppenheimer pointed to the huge scale of investment required by the Anglo empire in the near future.

Between now and 1981, spending of close to \$1,000m is planned in gold and further projects are being considered. A further \$300m is committed in coal over the next two years to lift output from 23m to 37m tons.

The steel programme will cost \$100m. New paper plant is costing \$50m, and the opening of a new manganese mine will cost another \$50m.

These funds would have to come from the profits and borrowings of the companies concerned, but he emphasized that the relationship between the companies and the centre of the group required that Anglo itself should be larger and stronger than at the moment.

Belgian dislike of Westinghouse deal
Mr. Fernand Herman, the Belgian Economic Affairs Minister, has said that Westinghouse Electric Corporation's decision to sell nearly 20 per cent of its stake in Ateliers de Construction Electriques de Charleroi SA (ACEC) contradicts previous promises it made.

Mr. Herman named the Belgian purchaser who bought the ACEC shares as the private Belgian Bank, Banque Degroof. The sale reduced Westinghouse's stake in ACEC to 47.9 per cent from 67.7 per cent.

Mr. Herman realized that due to United States legislation,

Westinghouse wanted to cut its interest to below 50 per cent before April 1. Informed industry sources said this means Westinghouse no longer has to consolidate ACEC losses in its accounts.—Reuter.

Case stake in Poclain approved
The French government has approved plans for 1.1 Case, a wholly-owned subsidiary of the Teaneco Incorporated group, to take a 40 per cent stake in Poclain SA, Poclain reports.

It said that Case will pay a total of 300m francs (about £44m), including 195m francs for the new shares, because part of the operation will comprise a sharp reduction of Poclain's liabilities.

At the request of the government, the Peugeot and Renault car groups, plus certain banks and institutional investors will take stakes in Poclain, subject to approval by their respective boards.

The new shareholders and the Renault family, founders of Poclain, will together hold at least 34 per cent of the capital.

Industry sources pointed out that this will give the new shareholders and the Renaults minority blocking rights, since their combined holding will be greater than the 33.3 per cent required for a minority blocking stake in French firms.—Reuter.

Commerzbank
Commerzbank AG net profits rose 9.4 per cent to DM159.3m in 1976 despite a 14.4 per cent decline in operating earnings, the company said in Frankfurt.

Total assets of the parent bank rose 9.2 per cent to DM42,090m. Meanwhile, domestic group assets increased to DM63,275m in 1976, up 12 per cent.

Fiat pays more
Fiat has announced a 150 lire (10p) dividend from net profits of 66.5m lire (£43.5m). Last year's dividend was 100 lire (6p).

The group said that it had set aside 20,000 lire out of profits to create a special fund to buy, after asking shareholders' approval, its own shares on the stock exchange.

FMC makes and pays more in Borthwick rebuff
FMC has rejected the conditional approach from fellow meat trader Thomas Borthwick. It disagrees with the commercial benefits claimed by Borthwick and the NPT Development Trust, which just under 48 per cent of FMC, has announced its intention of not accepting the offer.

To back this up, FMC is forecasting significantly higher profits for the current year and a big increase in dividend. For the year to April 30,

1977 FMC anticipates pre-tax profits rising from £918,000 to more than £3m on an 18 per cent sales gain to £460m. Treasury permission has been obtained to more than double the dividend to 9 1/2 per cent a share gross.

FMC's forecast is based on various assumptions including no alteration in exchange rates, unchanged interest rates and no untoward production plant breakdown or industrial dispute.

BRIDON
Bridon Limited Warrington Hall, Doncaster, South Yorkshire DN4 9UX, England
Preliminary Statement for 1976

	Year ended 31st December 1976	1975	£000	£000
Turnover including Share of Sales of Associated Companies	243,914	214,878		
Analysis of Profit				
Group Profit before Interest including Share of Profits of Associated Companies United Kingdom	8,623	7,324		
Principal Products	873	228		
Engineering	3,974	1,233		
Associated Companies				
	12,570	8,785		
Overseas				
North, Central and South America	2,998	4,604		
Africa	3,891	4,183		
Europe	1,321	2,561		
Asia, Australasia and the Pacific	829	387		
	9,139	11,855		
Group Profit before Interest	21,709	20,470		
Interest Payable	3,426	3,458		
Profit before Taxation	18,283	17,012		
Profit and Loss Account				
Group Trading Profit	15,209	13,896		
Interest Payable	3,426	3,458		
	11,783	10,438		
Share of Profits of Associated Companies	6,500	6,574		
Profit before Taxation	18,283	17,012		
Taxation	8,883	7,700		
	9,400	9,312		
Net Loss of Subsidiaries attributable to Outside Shareholders (1975—Profit)	99	(370)		
Profit after Taxation attributable to Bridon Limited	9,499	8,942		
Dividends—Ordinary Shares				
Interim of 2.1p per share (1975 1.9p per share)	1,069	940		
Second Interim of 3.95p per share (1975 3.6p per share)	2,012	1,782		
	3,081	2,722		
Preference and Preferred Ordinary Dividends	12	12		
	3,093	2,734		
Retained as Revenue Reserves by the Group and Associated Companies	6,406	6,208		
	8,499	8,942		
Earnings per share—Basic	16.53p	18.82p		
—Diluted	17.80p	17.49p		

Results
Market trends for group products throughout the world showed considerable variations in 1976. Substantial exports contributed materially to United Kingdom profits. North American and European results were disappointing.

Prospects
A slow but general recovery in demand for Group products is expected and this should benefit the Group.

Dividends
The Board therefore recommend the maximum dividend on the Ordinary Shares permitted under the Counter-Inflation Programme at the current rate of Advance Corporation Tax—3.95 pence per share. This will be payable on 27th May 1977 as a second interim dividend so that consideration may be given to the payment of a further dividend should the rate of Advance Corporation Tax be changed.

BRIDON worldwide in wire, wire rope, fibre cordage and related plastics and engineering products. essential for developing energy and other natural resources and for the construction, engineering, transportation and distribution industries.

Cadbury Schweppes LIMITED

PRELIMINARY ANNOUNCEMENT BY MR. ADRIAN CADBURY, CHAIRMAN

For the 52 weeks ended 1 January 1977

	1976	1975
Group sales	787.0	667.0
Group trading profit	54.9	48.4
Investment income	2.8	1.7
Interest payable	57.7	50.1
Group profit	12.2	11.7
Share of associated companies' profits less losses	45.5	38.4
Group profit before taxation	0.9	0.2
Taxation	48.4	38.6
	25.7	20.1
	20.7	18.5
Profit attributable to minority interests	1.8	0.6
	18.9	17.9
Extraordinary items	3.5	2.6
Profit attributable to Cadbury Schweppes Limited	15.4	15.3
DIVIDENDS		
Preference Stock	0.1	0.1
Interim on Ordinary Stock of 0.65625p per unit (1975 0.65625p)	2.4	2.4
Final on Ordinary Stock of 2.06675p per unit proposed (1975 1.81925p)	7.6	6.7
	10.1	9.2
Profit retained	5.3	6.1
Earnings per ordinary stock unit of 25p	5.12p	5.18p

Subject to approval by the Company at the Annual General Meeting the final dividend will be paid on 1 July 1977 to holders of Ordinary Stock registered at the close of business on 27 May 1977.

* Sales at £787m were 18% higher than those for 1975.

* Pre-tax profits rose by over 20% to £46.4m, showing a real increase over the previous year.

* The Board is recommending a final dividend of 2.06675p per unit which, together with the interim, makes the maximum permitted for the year.

* UK export sales were up nearly 32% and profits on franchise operations were also well up.

* Nearly £28m was invested in 1976 and outstanding commitments amounted at the year end to £28.5m.

* Our substantially increased investment programme is wholly dependent on achieving an adequate return, requiring that price controls are realistic and Government industrial policies consistent.

Adrian Cadbury
Chairman

31 March 1977

The Report and Accounts, containing the Chairman's Statement and a more detailed analysis of the year's trading, will be posted to Stockholders on 19 April 1977.

Cadbury Schweppes Limited, 1/10 Connaught Place, London W2 2EX

Cadbury : Fry : Pascall Murray : Schweppes : L. Rose : Kia-Ora : Typhoo : Chivers : Hartley : Moorhouse : Kenco
Kardomah : Andre Simon : Jeyes : Brobat : Ibolc : 3 Hands

Commodities

SINGAPORE tin ex-works, \$31.10. **SPICE**, **SHRIMP**, cash put up at \$4.50 and three months gained 5¢. **Afternoon**, **CASH** 1970-71 a metric ton: three months, \$580-61; **Sales**, 1,000 tons. **COFFEE**, **CASH** 1970-71 a metric ton: three months, \$50-55; **Sales**, 50 tons. **PEPPER**, **CASH** 1970-71 a metric ton: three months, \$267-270; **Sales**, 1,750 tons. **ZINC**, **CASH** and three months gained 5¢. **Afternoon**, **CASH** 1970-71 a metric ton: three months, \$240-50-03.05. **Sales**, 900 tons. **MALAYSIAN**, **CASH** 1971-72: three months, \$240-50-03.05. **Sales**, 900 tons. **PRODUCERS**, prices are unofficial. All afternoon tin prices are unofficial.

PLATINUM was at \$24.50 (\$162.50). **IRIDIUM** was about steady (pence).

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passed our sales in the
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in the first four months
financial year are up 57%
four months last year.
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sales and profit figures
ing 30th April, 1977...

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23.7	28.0	Overseas Fnd	23.7	28.0
Imperial Life Assurance Co of Canada				
Imperial Life Rse, London Rd, Guilford				
26.9	47.4	Growth Fnd (S)	26.9	47.4
51.2	58.1	Pension Fnd	51.2	58.1
For Individual Life Insurance Co. Ltd				
are Schroder Life Group				
Irish Life Assurance,				
11 Finsbury Sq, London, EC2A				
149.9	128.8	Prop Modules	149.9	128.8
168.6	141.0	De Growth (21)	168.6	141.0

[illegible]

مكتبة النجف

Stock Exchange Prices

Lower on profit taking

Account Days: Dealings Began, March 28, Dealings End, April 7. Conango Day, April 12. Settlement Day, April 20.
\$ Forward bargains are permitted on two previous days.

Stock	Price	Change	Stock	Price	Change	Stock	Price	Change	Stock	Price	Change
BRITISH FUNDS											
British Airways	10.12	0.01	British Petroleum	10.12	0.01	British Telecom	10.12	0.01	British Virgin Islands	10.12	0.01
British Airways	10.12	0.01	British Petroleum	10.12	0.01	British Telecom	10.12	0.01	British Virgin Islands	10.12	0.01
COMMONWEALTH AND FOREIGN											
Commonwealth Bank	10.12	0.01	Commonwealth Bank	10.12	0.01	Commonwealth Bank	10.12	0.01	Commonwealth Bank	10.12	0.01
Commonwealth Bank	10.12	0.01	Commonwealth Bank	10.12	0.01	Commonwealth Bank	10.12	0.01	Commonwealth Bank	10.12	0.01
LOCAL AUTHORITIES											
Local Authorities	10.12	0.01	Local Authorities	10.12	0.01	Local Authorities	10.12	0.01	Local Authorities	10.12	0.01
Local Authorities	10.12	0.01	Local Authorities	10.12	0.01	Local Authorities	10.12	0.01	Local Authorities	10.12	0.01
FOREIGN STOCKS											
Foreign Stocks	10.12	0.01	Foreign Stocks	10.12	0.01	Foreign Stocks	10.12	0.01	Foreign Stocks	10.12	0.01
Foreign Stocks	10.12	0.01	Foreign Stocks	10.12	0.01	Foreign Stocks	10.12	0.01	Foreign Stocks	10.12	0.01
DOLLAR STOCKS											
Dollar Stocks	10.12	0.01	Dollar Stocks	10.12	0.01	Dollar Stocks	10.12	0.01	Dollar Stocks	10.12	0.01
Dollar Stocks	10.12	0.01	Dollar Stocks	10.12	0.01	Dollar Stocks	10.12	0.01	Dollar Stocks	10.12	0.01
BANKS AND DISCOUNTS											
Banks and Discounts	10.12	0.01	Banks and Discounts	10.12	0.01	Banks and Discounts	10.12	0.01	Banks and Discounts	10.12	0.01
Banks and Discounts	10.12	0.01	Banks and Discounts	10.12	0.01	Banks and Discounts	10.12	0.01	Banks and Discounts	10.12	0.01
BREWERIES AND DISTILLERIES											
Breweries and Distilleries	10.12	0.01	Breweries and Distilleries	10.12	0.01	Breweries and Distilleries	10.12	0.01	Breweries and Distilleries	10.12	0.01
Breweries and Distilleries	10.12	0.01	Breweries and Distilleries	10.12	0.01	Breweries and Distilleries	10.12	0.01	Breweries and Distilleries	10.12	0.01
INSURANCE											
Insurance	10.12	0.01	Insurance	10.12	0.01	Insurance	10.12	0.01	Insurance	10.12	0.01
Insurance	10.12	0.01	Insurance	10.12	0.01	Insurance	10.12	0.01	Insurance	10.12	0.01
INVESTMENT TRUSTS											
Investment Trusts	10.12	0.01	Investment Trusts	10.12	0.01	Investment Trusts	10.12	0.01	Investment Trusts	10.12	0.01
Investment Trusts	10.12	0.01	Investment Trusts	10.12	0.01	Investment Trusts	10.12	0.01	Investment Trusts	10.12	0.01
PROPERTY											
Property	10.12	0.01	Property	10.12	0.01	Property	10.12	0.01	Property	10.12	0.01
Property	10.12	0.01	Property	10.12	0.01	Property	10.12	0.01	Property	10.12	0.01
RUBBER											
Rubber	10.12	0.01	Rubber	10.12	0.01	Rubber	10.12	0.01	Rubber	10.12	0.01
Rubber	10.12	0.01	Rubber	10.12	0.01	Rubber	10.12	0.01	Rubber	10.12	0.01
TEA											
Tea	10.12	0.01	Tea	10.12	0.01	Tea	10.12	0.01	Tea	10.12	0.01
Tea	10.12	0.01	Tea	10.12	0.01	Tea	10.12	0.01	Tea	10.12	0.01
MISCELLANEOUS											
Miscellaneous	10.12	0.01	Miscellaneous	10.12	0.01	Miscellaneous	10.12	0.01	Miscellaneous	10.12	0.01
Miscellaneous	10.12	0.01	Miscellaneous	10.12	0.01	Miscellaneous	10.12	0.01	Miscellaneous	10.12	0.01
SHIPPING											
Shipping	10.12	0.01	Shipping	10.12	0.01	Shipping	10.12	0.01	Shipping	10.12	0.01
Shipping	10.12	0.01	Shipping	10.12	0.01	Shipping	10.12	0.01	Shipping	10.12	0.01
MINES											
Mines	10.12	0.01	Mines	10.12	0.01	Mines	10.12	0.01	Mines	10.12	0.01
Mines	10.12	0.01	Mines	10.12	0.01	Mines	10.12	0.01	Mines	10.12	0.01
FINANCIAL TRUSTS											
Financial Trusts	10.12	0.01	Financial Trusts	10.12	0.01	Financial Trusts	10.12	0.01	Financial Trusts	10.12	0.01
Financial Trusts	10.12	0.01	Financial Trusts	10.12	0.01	Financial Trusts	10.12	0.01	Financial Trusts	10.12	0.01

THE TIMES SHARE INDICES
The Times share indices are calculated on the basis of the closing prices of the shares of the companies included in the indices on the date of publication of the indices.
Date of 1964 original base date June 25, 1964.Index Div. Index-Ind. Index-Ind. Index-Ind.
No. Yielding No. Yielding No. Yielding No. YieldingThe Times Industrial share index 173.24 6.68 173.24 6.68
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